

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM A  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                 |
|-----------------------------------------------------------------|
| <b>SUBJECT:</b><br>Roll Call / Conformance to Open Meeting Law. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                         |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.           |
| <b>FISCAL IMPACT:</b><br>None.                                  |

**STAFF COMMENTS AND BACKGROUND:**

Announcement of actions taken to conform to the Open Meeting Law will be reported at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM B  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br>Comments from the public. Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                                                                                                                                                                         |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                                                                                                                                                                           |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                                                                                                                                                                                  |

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM C  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                       |
|-------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><i>For Possible Action:</i> Approval of minutes of the December 13, 2022, meeting. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                               |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                 |
| <b>FISCAL IMPACT:</b><br>None.                                                                        |

**STAFF COMMENTS AND BACKGROUND:**

The minutes of the December 13, 2022, meeting is enclosed for your review.

The Colorado River Commission of Nevada (Commission) meeting was held at 1:31 p.m. on Tuesday, December 13, 2022, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, NV 89155.

**COMMISSIONERS IN ATTENDANCE**

|                 |                     |
|-----------------|---------------------|
| Chairwoman      | Puoy K. Premsrirut  |
| Vice Chairwoman | Kara J. Kelley      |
| Commissioner    | Justin Jones        |
| Commissioner    | Marilyn Kirkpatrick |
| Commissioner    | Allen J. Puliz      |

**COMMISSIONERS PRESENT VIA TELECONFERENCE**

|              |                   |
|--------------|-------------------|
| Commissioner | Dan Stewart       |
| Commissioner | Cody T. Winterton |

**DEPUTY ATTORNEY(S) GENERAL**

|                                   |                 |
|-----------------------------------|-----------------|
| Special Counsel, Attorney General | David W. Newton |
|-----------------------------------|-----------------|

**COMMISSION STAFF IN ATTENDANCE**

|                                                |                       |
|------------------------------------------------|-----------------------|
| Executive Director                             | Eric Witkoski         |
| Chief of Finance and Administration            | Douglas N. Beatty     |
| Assistant Director, Engineering and Operations | Bob Reese             |
| Assistant Director, Energy Information Systems | Kaleb Hall            |
| Assistant Director, Hydropower                 | Gail Bates            |
| Natural Resources Program Manager              | Angela Slaughter      |
| Hydropower Program Manager                     | Craig Pyper           |
| Hydropower Engineering                         | Stevie Espinosa       |
| Chief Accountant                               | Gail L. Benton        |
| Senior Energy Accountant                       | Stephanie Salleroli   |
| Environmental Program Manager                  | Warren Turkett, Ph.D. |
| Natural Resources Specialist                   | Laura Dye             |
| System Coordinator                             | Chris Smith           |
| Executive Assistant Manager                    | Gina L. Goodman       |
| Office Manager                                 | Carol L. Perone       |
| Administrative Assistant III                   | Saira Castillo        |
| Administrative Assistant II                    | Joshua Cleveland      |

**OTHERS PRESENT: REPRESENTING**

Legislative Counsel Bureau Fiscal Division  
Moss Adams  
Moss Adams  
NV Energy  
NV Energy  
Southern Nevada Water Authority

JD Menkens  
Keith Simovic  
Jana Stewart  
Michael Hulin  
Laura Browning

DRAFT

**COLORADO RIVER COMMISSION OF NEVADA**

**MEETING OF**

**DECEMBER 13, 2022**

**INDEX**

| <b><u>Agenda Item</u></b> | <b><u>Subject</u></b>                                                                                                                                                                                                                                                                                                                                                                                           | <b><u>Page No.</u></b> |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| A.                        | Roll Call / Conformance to Open Meeting Law.....                                                                                                                                                                                                                                                                                                                                                                | 1                      |
| B.                        | Comments from the public. Members of the public are invited to comment on items on the meeting agenda. (No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action) .....                                                                                                                               | 1                      |
| C.                        | <i>For Possible Action:</i> Approval of minutes of the November 8, 2022, meeting.....                                                                                                                                                                                                                                                                                                                           | 1                      |
| D.                        | <i>For Possible Action:</i> Consideration of and possible action by the Colorado River Commission of Nevada (Commission) to adjust the amount of collateral posted by the Commission’s retail industrial contractors for Calendar Year 2023 .....                                                                                                                                                               | 1                      |
| E.                        | <i>For Information Only:</i> Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.....                                                                                                                                                                                                                                              | 4                      |
| F.                        | <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 .....                                                                 | 4                      |
| G.                        | <i>For Information and Possible Action:</i> Go into closed session, pursuant to NRS 241.015(3)(b)(2) to receive information from the Commission’s Special Counsel regarding potential or existing litigation involving a matter over which the Commission has supervision, control, jurisdiction, or advisory power and to deliberate toward a decision on the matter or both and direct staff accordingly..... | 6                      |

**COLORADO RIVER COMMISSION OF NEVADA**

**MEETING OF**

**DECEMBER 13, 2022**

**INDEX (CONTINUED)**

| <b><u>Agenda Item</u></b> | <b><u>Subject</u></b>                                                                                                                                                                                                                                                                                             | <b><u>Page No.</u></b> |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| H.                        | Comments from the public. Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action ..... | 6                      |
| I.                        | Comments and questions from the Commission members.....                                                                                                                                                                                                                                                           | 6                      |
| J.                        | Selection of the next possible meeting date.....                                                                                                                                                                                                                                                                  | 7                      |
| K.                        | Adjournment.....                                                                                                                                                                                                                                                                                                  | 8                      |

DRAFT

The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premsrirut at 1:31 p.m., followed by the pledge of allegiance.

**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. Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action.**

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

**C. For Possible Action: Approval of minutes of the November 8, 2022, meeting.**

Commissioner Puliz moved for approval the minutes of the November 8, 2022, meeting. The motion was seconded by Commissioner Kirkpatrick and approved by unanimous vote of those present.

**D. For Possible Action: Consideration of and possible action by the Colorado River Commission of Nevada (Commission) to adjust the amount of collateral posted by the Commission's retail industrial contractors for Calendar Year 2023.**

Vice Chairwoman Kelley and Commissioner Stewart were present for this vote.

Assistant Director of Hydropower Gail Bates explained that the Commission has statutory authority to require power contractors to provide collateral "in such sum and in such manner as the Commission may require, conditioned on the full and faithful performance" of their power contracts. NRS 538.181(2).

Additionally, under the Commission's regulations, the Commission is to conduct a yearly review to determine the creditworthiness of each of its contractors covered by NAC 538.744. Based on that review, the Commission establishes the amount of collateral and prescribes the way the contractor is required to furnish the collateral pursuant to its contracts with the Commission.

The Commission has latitude on setting the level of collateral, but under NAC 538.744, the collateral cannot be less than 25 percent of that contractor's Gross Annual Purchases during the test period of October 1, 2021, through September 30, 2022. The Contractor's "Gross Annual Purchase" reflects the Contractor's power and related expenses during the test period and does not include revenues that might become available to the contractor to offset those expenses.



Ms. Bates further explained the analyses to determine collateral requirement. Staff reviewed the payment history and activity of the industrial contractors during 2022 to make recommendations to the Commission for the collateral level to be set for each contractor for 2023. For Lhoist North America, EMD Acquisition LLC, Olin Chlor Alkaline Products, and Titanium Metals Corporation (Timet), Staff recommends the collateral requirement be set at the minimum collateral requirement of twenty-five percent of the contractor's gross annual purchases pursuant to NAC 538.744 3. Of these four contractors, the collateral requirement increases due to increased activity of each contractor during 2022.

In respect to Basic Water Company (Basic), Staff recommends no change in the current level of collateral held by the Commission on behalf of Basic in the amount of \$170,077.56. The company filed bankruptcy in September of 2022. Basic still retains two hydropower contracts that Staff is currently laying off to another qualified contractor on short-term arrangement, and Basic has a quarterly payment obligation under the Multi-Species Conservation Program. Staff's recommendation is to retain the collateral until such time as Basic has assigned its contracts and financial obligations to other entities and those assignments are approved by the Commission. If Basic emerges from bankruptcy with plans to continue to operate, Staff will review Basic's plans and activity and evaluate what may need to occur in respect to adjustments to Basic's collateral level at that time.

All the Commission's retail contractors have posted cash collateral except for Timet which has posted a Letter of Credit. Staff recommended no change in the form of collateral being posted. In summary, below is a chart with the recommendations for collateral for the respective contractors.

**Staff's Recommended Collateral Requirements.**

| Contractor                   | Form of Collateral | Present Collateral | Recommended Collateral Requirement | Collateral Adjustment |
|------------------------------|--------------------|--------------------|------------------------------------|-----------------------|
| Basic Water Company          | Cash               | \$ 170,077.56      | \$ 170,077.56                      | \$ -                  |
| Lhoist North America         | Cash               | \$ 18,786.88       | \$ 21,684.43                       | \$ 2,897.55           |
| EMD Acquisition LLC          | Cash               | \$ 750,000.00      | \$ 789,076.80                      | \$ 39,076.80          |
| Olin Chlor Alkaline Products | Cash               | \$ 50,368.16       | \$ 53,789.07                       | \$ 3,420.91           |
| Titanium Metals Corporation  | Letter of Credit   | \$ 376,784.95      | \$ 503,396.22                      | \$ 126,611.27         |
|                              |                    | \$1,366,017.55     | \$ 1,538,024.08                    | \$ 172,006.53         |

1 Gross annual purchase represent the contractor's expenses during the period of Oct. 2021 through Sept. 2022 and do not include revenues from uncertain revenue streams such as optimization and short-term (balancing and imbalance) sales.

2 Minimum Collateral Requirement is 25% of contractor's gross annual purchases.

Commissioner Kirkpatrick wanted to confirm if Timet always had collateral in the form of a Letter of Credit and further commented since Timet had decreased their power intake last year has the company's stability improved.

Ms. Bates responded, Timet has had a Letter of Credit for the past several years. The Letter of Credit is provided to the Commission by the 1<sup>st</sup> of March every year. During COVID-19 Timet had experienced a large decrease in load along with their collateral. Timet has not reached their prior load pre COVID, but Timet's load has increased and has indicated their load will continue to increase over the course of the next year.

Chairwoman Premsrirut wanted to confirm the delta and the amount of increase is purely straight mathematics. Staff fixed a 25% charge or percentage of the customers load with the mathematical equation that provides for the recommended collateral.

Ms. Bates replied Staff looks at the annual expenses for the test period, which is 12 months preceding October 1<sup>st</sup>, and takes 25% of that minimum. The Commission could always set a higher level for known and measurable changes. In this case, Staff is setting the minimum amount.

Chairwoman Premsrirut responded that in essence, there is really no exercise of discretion except that the Commission is just affixing the lowest percentage as set forth in the statute, with exception of Basic.

Ms. Bates stated that, that is correct.

Chairwoman Premsrirut stated the Commission is just preserving the status quo for Basic due to their bankruptcy action.

Commissioner Puliz asked if the customer's cash collateral earns interest, as interest is going up and things are changing. In terms of interest, is it set by the state or with a bank if the customers pay their commission approved amount.

Chief, Finance and Administration Doug Beatty responded the Commission's cash accounts are with the State Treasurer. The cash accounts are all in the State Treasury pool and the customer's cash collateral earns interest.

**Commissioner Marilyn Kirkpatrick moved for approval to adjust the amount of collateral posted by the Commission's retail industrial contractors for Calendar Year 2023. The motion was seconded by Commissioner Jones and approved by unanimous vote.**

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

Special Counsel Attorney General David Newton updated three pending legal matters.

Save the Colorado v. Dept. Of the Interior (LTemp):

The LTemp matter has been fully briefed. Staff is expecting to get a decision from the judge in Arizona sometime early in December. Based on some of the comments that were made it seems to have fallen by the wayside, that is the posture of this case.

Navajo Nation v. Dept. Of the Interior:

In the Navajo matter, the Supreme Court granted Cert. Our brief is due next Friday December 23, 2022. Although, the argument date has not been set, it looks like it will be in March 2023. That is a fast turnaround for those that are trying to do the drafting.

Basic Water Company bankruptcy

Outside counsel is in place and is proceeding as expected based on the Commission's approval on November 8, 2022. Holley Driggs, LTD is in the middle of motion practice trying to shore up some of the infrastructure from Basic Water Company, that seems to be the focus currently.

**F. *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.**

Environmental Program Manager, Warren Turkett, Ph.D. presented:

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

**Hydrology and River Update**

- Colorado Basin River Forecast Center – Lake Powell 104 Group
- Lake Powell End-of-Month Elevations
- Lake Mead End-of Month Elevations
- Negotiations and Updates

Chairwoman Premsrirut asked some questions and made comments regarding Dr. Turkett's presentation, specifically regarding the SEIS mentioned at the bottom subsection of the last slide. Chairwoman Premsrirut asked whether this SEIS is in response to the Basin States' failure to timely develop a plan to reduce water use by an additional 2-4 MAF.

Dr. Turkett responded; Reclamation's request was to have additional reductions of 2-to-4-million-acre feet. There has been a lot of negotiations, but unfortunately it did not go very well. The basin states were not able to achieve a recommended plan. So yes, this

SEIS is the next step. Reclamation will be looking at adding sufficient reductions really driven by the amount of risk that we are seeing at the reservoirs. They need more operational flexibility to reduce those risks.

Chairwoman Premsrirut asked if there has been any modeling or studies done if a drastic reduction in the releases occurs and what the ultimate water level would be at Lake Mead in terms of elevation.

Dr. Turkett responded that it depends on which scenarios are analyzed. In the presentation that Reclamation had last week, (link noted on attached presentation) they presented four different scenarios. One was to protect Glen Canyon Dam and not worry about what happens at Lake Mead. In that one the elevation sits at 3490 and it crashes Lake Mead. Another scenario was to protect both Glen Canyon and Lake Mead. If that happens, it will go down to 3490 elevation and then once Lake Mead starts reaching 950 the only knob left to really turn is the reductions in consumptive use. The releases were down to 3-to-5 MAF. So, the answer really depends on which scenario is being looked at. Dr. Turkett believes Reclamation provided these as just as an understanding of the knobs that can be turned, and he also believes it is going to help motivate negotiators to get something better than what we are currently presenting.

Chairwoman Premsrirut responded that she is just hopeful on behalf of the State of Nevada that the negotiations are taking place to where we are just not subject to a domino effect, that our priorities are being heard, and that our conservation, our valiant efforts, and great results are being recognized and awarded. Obviously our three Commissioners from the Southern Nevada Water Authority are being led by John Entsminger, who has us in good hands. But as the CRCNV, we are the trustees of Nevada's interest in the Colorado River. Chairwoman Premsrirut believes it is high time that everyone recognizes what a great job we have done with conservation of the allocation that we get every year. Therefore, if it can be heard by Reclamation to not just look at Glen Canyon and to also look at Hoover and Lake Mead, in terms of how that affects our local community, it is something we all should strive for and be vocal about.

Dr. Turkett responded that is something being actively modeled internally. A lot of the negotiations are on the water side, but the CRCNV has hydropower customers. Consequently, we are wanting to ensure that hydropower is protected moving forward.

Commissioner Kirkpatrick commented that we are in a good spot today because as we know, all seven states are here today getting a presentation on what that looks like to protect the Colorado River going further or what happens next. There are still two states that are downstream from us, but we have secured our water at some point with Lake Mead, which is a real testament to our state. There are 270 municipalities in the western states that have followed suit on what we have done here in Southern Nevada and she stated that is huge because she sits on the Western Region NACO (National Association of Counties) Water Board. She further stated that there has been a mentality of not listening and considering any of the conservation efforts occurring in Southern Nevada. Commissioner Kirkpatrick thinks that everybody is really starting to recognize, but what is unfortunate is that the feds do not recognize the leaders that we are, and what we are doing and it is unfortunate that in 1968 some rules were made-up that people got to follow, and that we should be advocating not only for ourselves, but advocating changing some

of the antiquated rules that other states can focus on. We are conserving, doing our part, therefore we must be vigilant and advocate a little louder. In Denver, Colorado there are 5 municipalities that are following suit and it feels like our constituents are doing yeoman's work, but we need to get the Bureau of Reclamation to hear us by being a little bit louder.

Chairwoman Premsrirut thanked Commissioner Kirkpatrick for her comments and asked if there were any more questions for Dr. Turkett. There were no further questions.

**G. *For Information Only:* Go into closed session, pursuant to NRS 241.015(3)(b)(2) to receive information from the Commission's Special Counsel regarding potential or existing litigation involving a matter over which the Commission has supervision, control, jurisdiction, or advisory power and to deliberate toward a decision on the matter or both and direct staff accordingly.**

Chairwoman Premsrirut asked the Commissioners if they had any need to go into closed session. Closed session was not needed.

**H. *Comments from the public.* Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action.**

Chairwoman Premsrirut asked if there were any comments from any member of the public present in the Chamber or any member of the public participating remotely that wish to address the Commission. There were none.

**I. *Comments and questions from the Commission members.***

Chairwoman Premsrirut asked if there were any comments or questions from any Commission members.

Vice Chairwoman Kelley commented on the recent current events regarding power facilities which caused her to inquire how the Colorado River Commission of Nevada secures its infrastructure and, thought it would be important to acknowledge that the Colorado River Commission Staff has had internal meetings and is confident that measures have been taken and continue to be taken. It is the utmost priority to secure the Colorado River Commission's infrastructure and that Staff is prepared to remedy any issues that occur and encouraged any Commissioner who has more specific questions to reach out directly to Assistant Director, Engineering and Operations, Robert Reese.

Chairwoman Premsrirut commented that on one of the articles received from Dr. Turkett and/or Ms. Dye, was extremely shocking. It addressed not only the drought but also the impact that Nevadan's are suffering, the effect on the Hoover Dam facilities, and some of the equipment. She suggested perhaps taking a tour out there. She added that Mr. Witkoski had mentioned that he would be willing to help organize that if any other Commission members are interested. She further added that she is the type of person

that needs to see and look in order to really digest particularly a subject matter that is outside her wheelhouse. She just wanted to tee that up if anyone is interested. A date has not been selected yet.

Commissioner Jones stated that he would be interested in the Hoover Dam tour.

Chairwoman Premsrirut expressed her interest if appropriate to mention in staying up to date with what is happening with the recreation issue at Lake Mead. She has seen some updates in the press, but aside from just articles and people holding posters, she is not sure what is happening.

Mr. Witkoski asked if she was referring to boat ramps, and if so, he would refer her concern to Dr. Turkett as he follows that more closely.

Chairwoman Premsrirut replied that she is referring to the programs, the launching of the boats. She believes it is more of a Boulder City jurisdictional issue.

Chairwoman Kirkpatrick stated it is an Overton Logan issue and to those people who are affected around that area. There is a public hearing right now and public comments are being taken.

Mr. Witkoski added that, in fact an inquiry from a constituent was answered last week and there are more comments that can be made through a link that can be put on our website. Mr. Witkoski referred the question to Dr. Turkett as he knows Dr. Turkett has been following this closely.

Dr. Turkett replied that he did not attend the last meeting, however there is going to be another webinar that Staff plans to attend in the future. There is going to be an Environmental Assessment on the impact, which does revolve around what they are going to be doing with their boat ramps. Specifically, he is watching because there are some decisions on what to do with their potable water sources, so they are receiving comments and looking at alternatives right now. Mr. Witkoski and Dr. Turkett have received and responded to some of those comments.

Chairwoman Premsrirut stated that even though she is not up to speed, CRCNV Staff offers a breadth of information and if anyone needs information, utilize CRCNV as a resource and support whatever data points are asked, so that everyone can make the best decisions that are available.

|                                                        |
|--------------------------------------------------------|
| <b>J. Selection of the next possible meeting date.</b> |
|--------------------------------------------------------|

**The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, January 10, 2023, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada 89155.**

**K. Adjournment.**

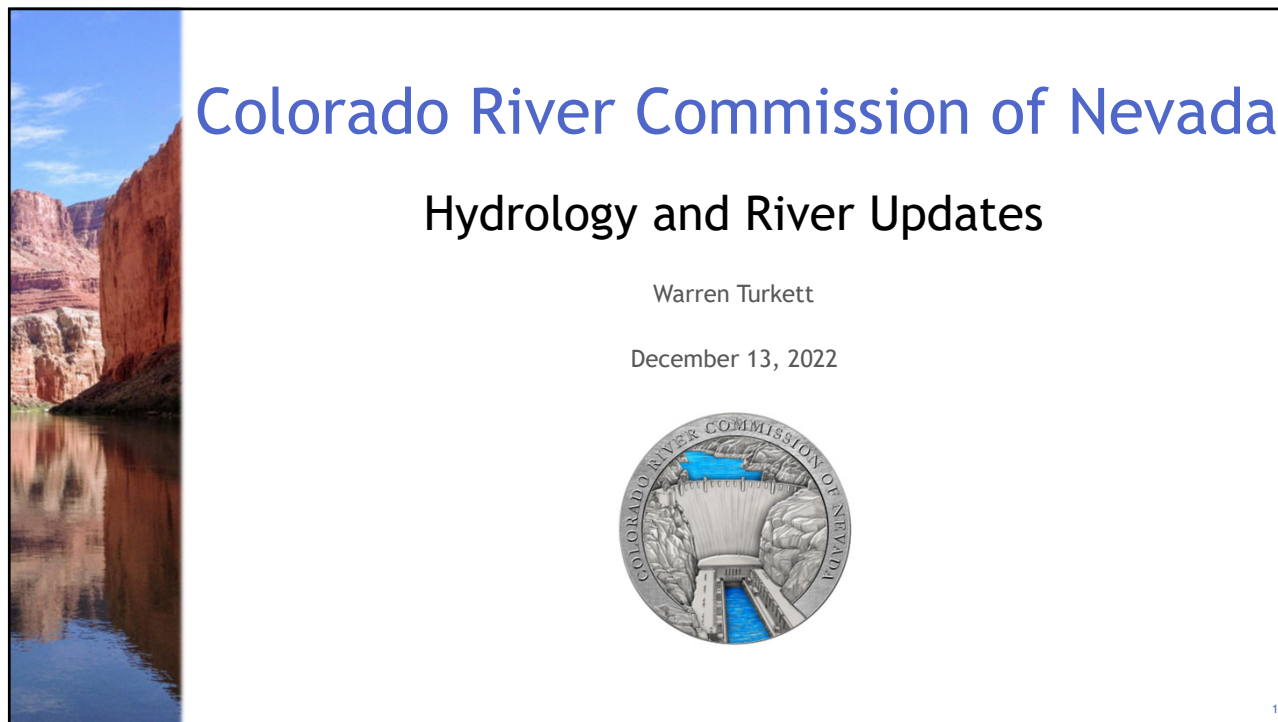
The meeting was adjourned at 2:06 p.m.

\_\_\_\_\_  
Eric Witkoski, Executive Director

APPROVED:

\_\_\_\_\_  
Puoy K. Premsrirut, Chairwoman


DRAFT



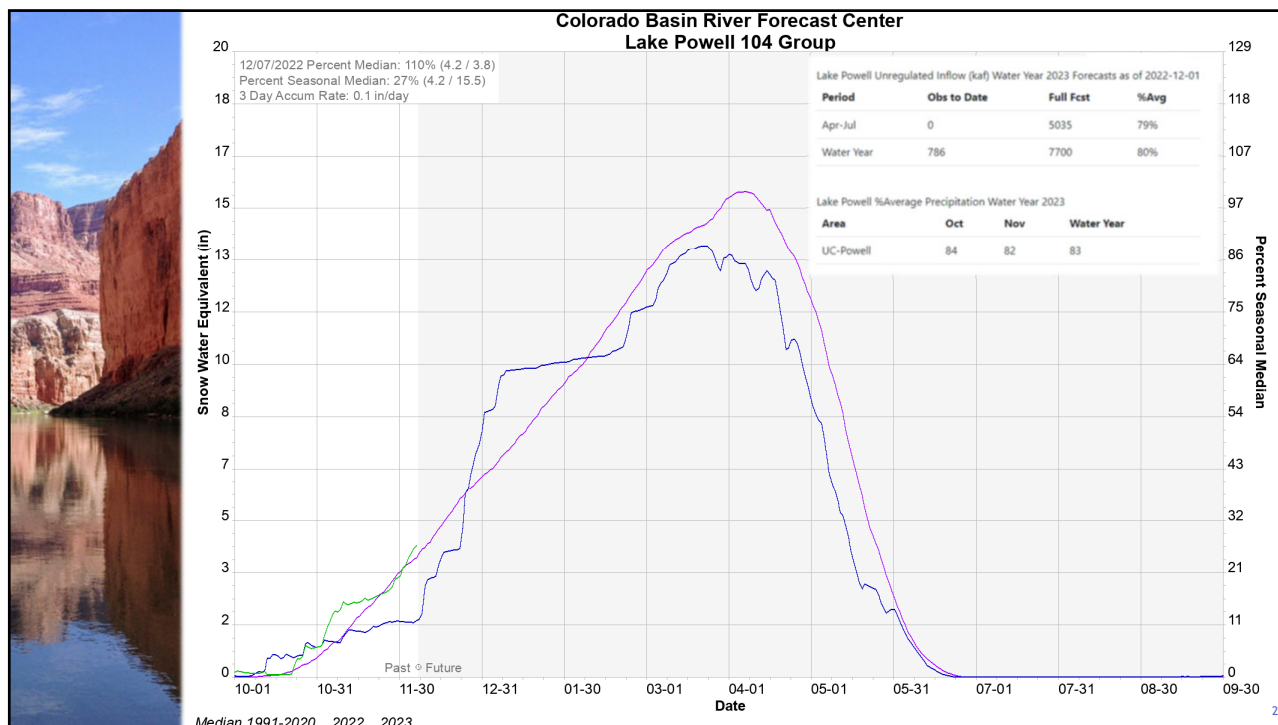
# Colorado River Commission of Nevada

## Hydrology and River Updates

Warren Turkett  
December 13, 2022

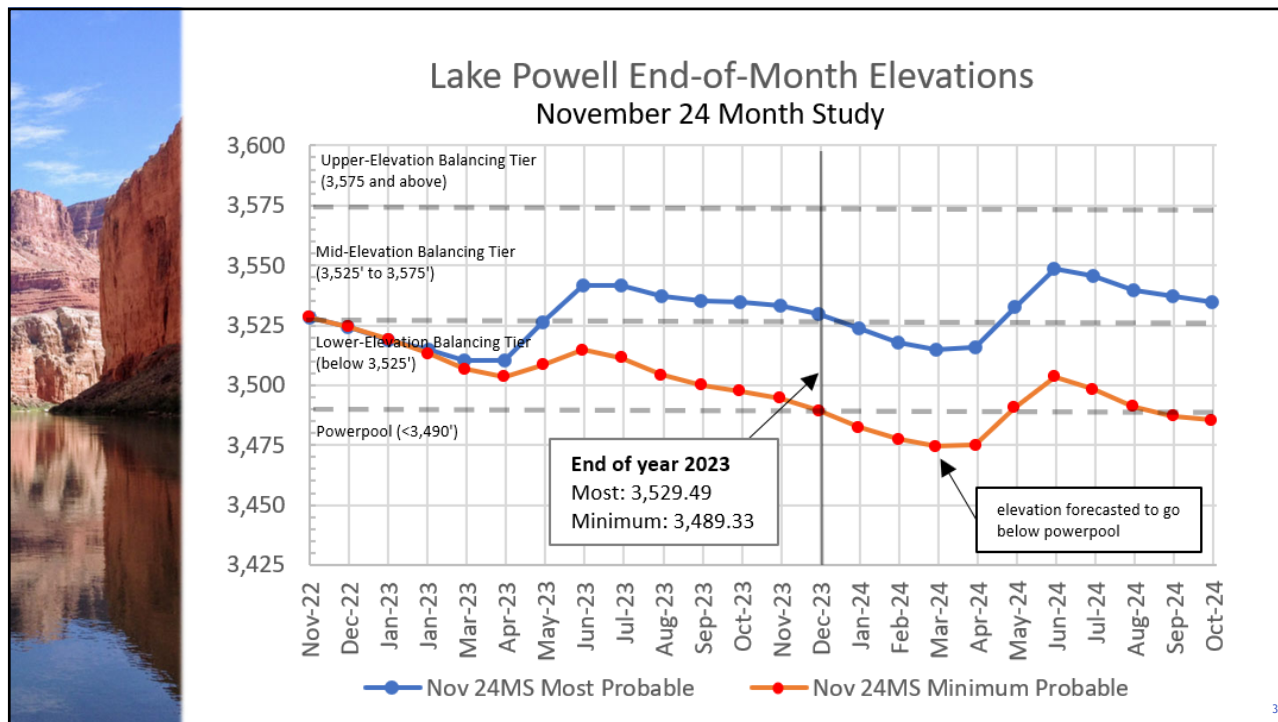


1

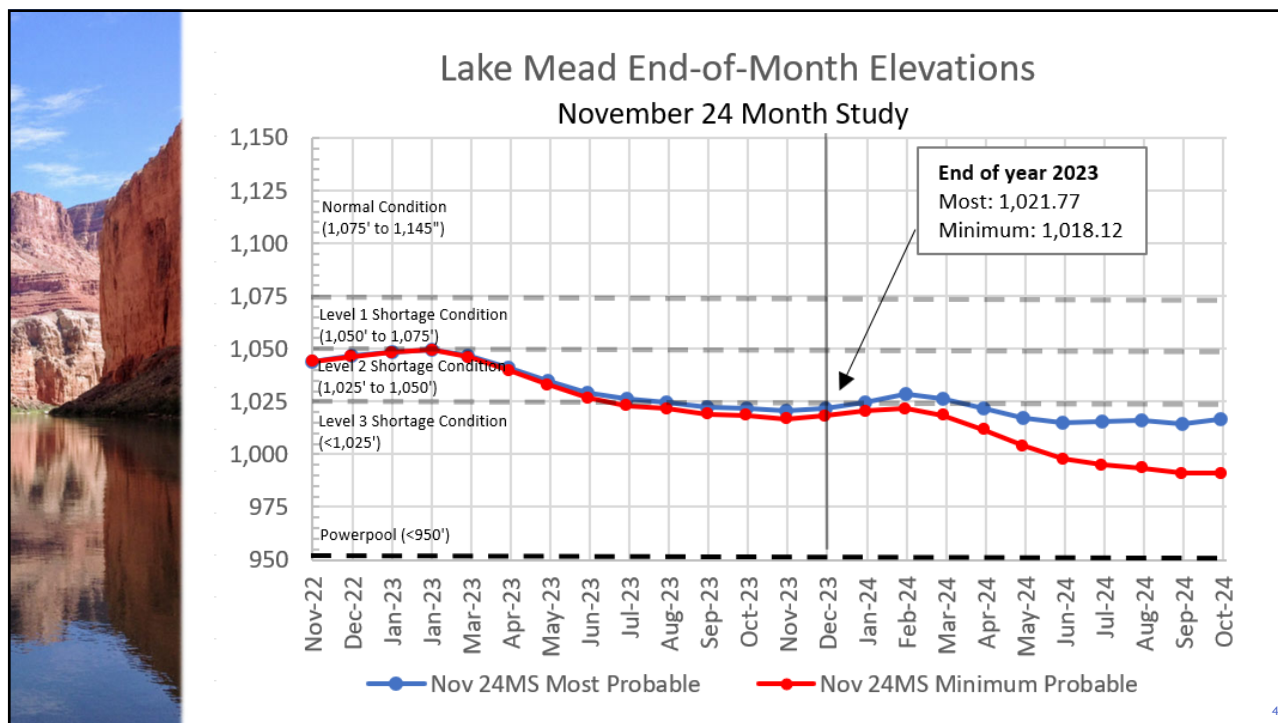


2

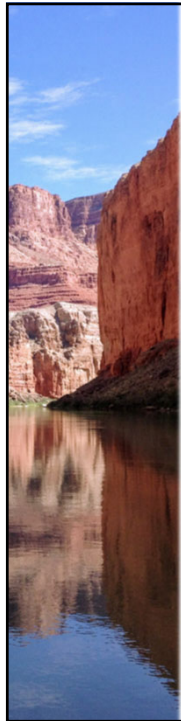




3



4



## Negotiations and Updates

### November 24 Month Study

- Below average precipitation has reduced the forecasted runoff for the current year.
- Reclamations Minimum probable model is showing Lake Powell going below power pool in December 2023 through April 2024.

### Lake Powell Release adjustments

- Glen Canyon Dam will redistribute releases during the year to reduce risk of going below power pool during spring.
- The actions will add approximately ten feet to critically low elevations in spring and reduce the time that Lake Powell is below 3,525 ft.

### Supplemental Environmental Impact Statement for 2007 Guidelines <sup>1</sup>

- Published in the Federal Register on November 17<sup>th</sup>.
- Reclamation's purpose is to modify operations for 2023-2024 to protect critical elevations in Lake Mead and Powell.
- Could include reducing releases from Glen Canyon below 7 MAF and increasing shortage reductions.
- Anticipated draft for public review in Spring 2023 and final in late Summer 2023.

<sup>1</sup> [https://www.usbr.gov/ColoradoRiverBasin/documents/post2026/2007InterimGuidelinesSEIS\\_ScopingWebinarPresentation.pdf](https://www.usbr.gov/ColoradoRiverBasin/documents/post2026/2007InterimGuidelinesSEIS_ScopingWebinarPresentation.pdf)

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM D  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                           |
|-------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><i>For Possible Action:</i> Selection of Vice Chair of the Commission. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                   |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                     |
| <b>FISCAL IMPACT:</b><br>None.                                                            |

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM E  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><i>For Possible Action:</i> Consideration of and possible acceptance of the Commission's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022, and a report or comments from the Finance and Audit Subcommittee members regarding the report. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                                                                                                                                   |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                                                                                                                                     |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                                                                                                                                            |

**STAFF COMMENTS AND BACKGROUND:**

Enclosed is a copy of the Commission's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022, and related documents for the Fiscal Year Ended June 30, 2022. Staff will provide report at the meeting.



COMMUNICATIONS WITH THOSE  
CHARGED WITH GOVERNANCE

**COLORADO RIVER COMMISSION OF NEVADA**

June 30, 2022

## **Communications with Those Charged with Governance**

Board of Commissioners  
Colorado River Commission of Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada (the Commission), as of and for the year ended June 30, 2022, and have issued our report thereon dated January 27, 2023. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter dated June 14, 2022, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we considered Commission's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

The supplementary information was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter dated June 14, 2022.

## **Significant Audit Findings and Issues**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. The Commission implemented GASB Statement 87, *Leases*. As a lessee, the Commission was required to recognize a lease liability and an intangible right-to-use lease asset. The resulting lease assets and liabilities were recorded at the present value of payments the Commission is expected to make during the lease term. No other new accounting policies were adopted and there were no changes in the application of existing policies during the fiscal year ended June 30, 2022. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### ***Significant Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

#### ***Pension Liability and Related Pension Expense***

This represents the amount of annual expense recognized for pensions and the related pension liability. The amount is actuarially determined, with Public Employees' Retirement System of Nevada management input. We have evaluated the key factors and assumptions used to develop the annual expense in determining that it is reasonable in relation to the financial statements taken as a whole.

#### ***Other Post-employment Benefit Obligations***

This represents the amount of annual expenses recognized for post-employment benefits. The amount is actuarially determined with management input. We have evaluated the key factors and assumptions used to develop the annual expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

#### ***Recovery periods for the cost of plant***

This represents the depreciation of plant assets. Management's estimate of the recovery periods for the cost of plant is based on their evaluation of the useful lives of the assets. We have evaluated the key factors and assumptions used to develop the recovery periods in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Discount rate for the lease liability*

This represents the discount rate utilized to perform the initial measurement of the lease liability for the Commission's leases under GASB Statement No. 87, *Leases*. Management's estimate of the discount rate is based on their evaluation of the Commission's incremental borrowing rate at lease inception. We have evaluated the key factors and assumptions used to develop the discount rate in determining that it is reasonable in relation to the financial statements taken as a whole.

### ***Financial Statement Disclosures***

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

### ***Significant Unusual Transactions***

We encountered no significant unusual transactions during our audit of the Commission's financial statements.

### ***Significant Difficulties Encountered in Performing the Audit***

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Commission's financial statements.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

### ***Circumstances that Affect the Form and Content of the Auditor's Report***

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with auditing standards generally accepted in the United States of America. There were no circumstances that affected the form and content of the auditor's report.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements as a whole.

We did not note any corrected or uncorrected misstatements during the course of the engagement.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated January 27, 2023.

### ***Management Consultation with Other Independent Accountants***



In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Commission’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Significant Audit Findings or Issues***

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

This information is intended solely for the use of the Board of Commissioners and management of the Colorado River Commission of Nevada and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon  
January 27, 2023





# **COLORADO RIVER COMMISSION OF NEVADA**

A COMPONENT UNIT OF THE STATE OF NEVADA

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**FOR THE YEAR ENDED  
JUNE 30, 2022**

## Table of Contents

---

|                                                                                                                                                                      | PAGE  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Introductory Section</b>                                                                                                                                          |       |
| Elected and appointed officials                                                                                                                                      | 1     |
| Letter of transmittal                                                                                                                                                | 2–6   |
| Certificate of achievement for excellence in financial reporting                                                                                                     | 7     |
| Organization chart                                                                                                                                                   | 8     |
| <br>                                                                                                                                                                 |       |
| <b>Financial Section</b>                                                                                                                                             |       |
| <br>                                                                                                                                                                 |       |
| <b>Report of Independent Auditors</b>                                                                                                                                | 9–12  |
| <br>                                                                                                                                                                 |       |
| <b>Management’s Discussion and Analysis</b>                                                                                                                          | 13–22 |
| <br>                                                                                                                                                                 |       |
| <b>Financial Statements</b>                                                                                                                                          |       |
| Government-wide Financial Statements                                                                                                                                 |       |
| Statement of net position                                                                                                                                            | 23–24 |
| Statement of activities                                                                                                                                              | 25    |
| Fund Financial Statements                                                                                                                                            |       |
| Balance Sheet – Governmental funds                                                                                                                                   | 26    |
| Reconciliation of the balance sheet – Governmental funds to the statement of net position – governmental activities                                                  | 27    |
| Statement of revenues, expenditures and changes in fund balances – governmental funds                                                                                | 28    |
| Reconciliation of the statement of revenues, expenditures and changes in fund balances – governmental funds to the statement of activities – governmental activities | 29    |
| Schedule of revenues, expenditures and changes in fund balances – budget to actual – general fund                                                                    | 30    |
| Schedule of revenues, expenditures and changes in fund balances – budget to actual – research and development special revenue fund                                   | 31    |
| Statement of net position – proprietary funds                                                                                                                        | 32    |
| Statement of revenues, expenses and changes in net position – proprietary funds                                                                                      | 33    |
| Statement of cash flows – proprietary funds                                                                                                                          | 34    |
| <br>                                                                                                                                                                 |       |
| Notes to the basic financial statements                                                                                                                              | 35–60 |
| <br>                                                                                                                                                                 |       |
| <b>Required Supplementary Information</b>                                                                                                                            |       |
| Multiple-employer, cost-sharing defined benefit pension plan                                                                                                         |       |
| Proportionate share of the collective net pension liability information                                                                                              | 61    |
| Statutorily Required Contribution Information                                                                                                                        | 62    |

|                                                                                                                                                                                                                                     |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Postemployment Benefits Other Than Pensions (OPEB)                                                                                                                                                                                  |       |
| Proportionate Share of the Collective Net OPEB Obligation Information                                                                                                                                                               | 63    |
| Contractually Required Contribution Information                                                                                                                                                                                     | 64    |
| Notes to Required Supplementary Information                                                                                                                                                                                         | 65    |
| <b>Report of Independent Auditors on Internal Control Over Financial Reporting and<br/>on Compliance and Other Matters Based on an Audit of Financial Statements<br/>Performed in Accordance with Government Auditing Standards</b> | 66–67 |
| <b>Statistical Section (unaudited)</b>                                                                                                                                                                                              |       |
| Net position by component                                                                                                                                                                                                           | 69    |
| Changes in net position                                                                                                                                                                                                             | 70    |
| Fund balances - governmental funds                                                                                                                                                                                                  | 71    |
| Changes in fund balances – governmental funds                                                                                                                                                                                       | 72    |
| Principal revenue payers                                                                                                                                                                                                            | 73    |
| Ratios of outstanding debt                                                                                                                                                                                                          | 74    |
| Available revenue debt coverage                                                                                                                                                                                                     | 75    |
| Demographic statistics – Clark County, Nevada                                                                                                                                                                                       | 76    |
| Principal employers – Clark County, Nevada                                                                                                                                                                                          | 77    |
| Employees by department                                                                                                                                                                                                             | 78    |
| Capital asset statistics by function                                                                                                                                                                                                | 79    |
| Operating indicators – power purchases in megawatt hours                                                                                                                                                                            | 80    |
| Risk management                                                                                                                                                                                                                     | 81    |

## **Introductory Section**

---

**COLORADO RIVER COMMISSION OF NEVADA**

**ELECTED AND APPOINTED**

**OFFICIALS FOR THE YEAR**

**ENDED JUNE 30, 2022**

---

**STATE OF NEVADA**

Steve Sisolak  
Governor

AARON FORD  
Attorney General

CATHERINE BYRNE  
Controller

ZACH CONINE  
Treasurer

BARBARA CEGAVSKE  
Secretary of State

**COLORADO RIVER COMMISSION**

PUOY K. PREMSRIRUT  
Chairwoman

KARA J. KELLEY  
Vice Chairwoman

CODY T. WINTERTON  
Commissioner

MARILYN KIRKPATRICK  
Commissioner

DAN H. STEWART  
Commissioner

ALLEN J. PULIZ  
Commissioner

JUSTIN JONES  
Commissioner

**COMMISSION STAFF**

ERIC P. WITKOSKI  
Executive Director

SARA A. PRICE  
Senior Assistant Director

GAIL A. BATES  
Assistant Director Hydropower Energy Operations

DOUGLAS N. BEATTY  
Division Chief, Finance and Administration

ANGELA K. SLAUGHTER  
Natural Resources Program Manager

ROBERT D. REESE  
Assistant Director Engineering and Operations

STATE OF NEVADA

STEVE SISOLAK, *Governor*  
PUOY K. PREMSRIRUT, *Chairwoman*  
KARA J. KELLEY, *Vice Chairwoman*  
ERIC WITKOSKI, *Executive Director*



JUSTIN JONES, *Commissioner*  
MARILYN KIRKPATRICK, *Commissioner*  
ALLEN J. PULIZ, *Commissioner*  
DAN H. STEWART, *Commissioner*  
CODY T. WINTERTON, *Commissioner*

**COLORADO RIVER COMMISSION  
OF NEVADA**

January 27, 2023

To the Honorable Chairwoman, and Members of the Colorado River Commission of Nevada:

It is a pleasure for us to present the Annual Comprehensive Financial Report of the Colorado River Commission of Nevada (Commission) for the year ended June 30, 2022, prepared by the financial and administrative division staff. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that was established for this purpose. The Commission's controls have been developed in accordance with the State Controller's office State-wide internal control system. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the basic financial statements are free of any material misstatements.

Moss Adams LLP, Certified Public Accountants and Business Advisors audited the Commission's basic financial statements for the year ended June 30, 2022. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the Commission are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission's basic financial statements for the fiscal year ended June 30, 2022, are fairly presented, in all material respects, and in conformity with generally accepted accounting principles in the United States (GAAP). The independent auditors' report is presented in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A is presented in the financial section of this report.

**Profile of the Government**

The Commission has broad statutory authority to establish policy for the management of the State's allocation of power and water resources from the Colorado River. As a State agency, it comprises a discretely presented component unit of the State for financial reporting purposes. Basic financial information presented herein is also included in the State's Annual Comprehensive Financial Report.

---

555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065

Phone: (702) 486-2670  
Fax: (702) 486-2695  
<http://crc.nv.gov>



The Commission is governed by seven commissioners, four of whom, including the Chairwoman, are appointed by the Governor, with the remaining three appointed by the Southern Nevada Water Authority (SNWA). Commissioners are required to have a general knowledge of the development of the Colorado River and its tributaries within Nevada, as well as the rights of Nevada pertaining to the resources and benefits of the Colorado River.

The members of the Commission are:

| <u>Name</u>                                                | <u>Initial Appointment</u> | <u>Current Term</u>                   |
|------------------------------------------------------------|----------------------------|---------------------------------------|
| Puoy K. Premssirut,<br>Chairwoman                          | 2013                       | July 1, 2020, to June 30, 2023        |
| Kara J. Kelley<br>Vice Chairwoman                          | 2015                       | July 1, 2020, to June 30, 2023        |
| Cody T. Winterton                                          | 2015                       | July 1, 2021, to June 30, 2024        |
| Honorable Marilyn Kirkpatrick<br>Clark County Commissioner | 2016                       | July 21, 2022, to June 30, 2024*      |
| Honorable Dan H. Stewart<br>City of Henderson Councilman   | 2016                       | July 21, 2022, to June 30, 2024*      |
| Allen J. Puliz                                             | 2019                       | September 1, 2022, to August 31, 2025 |
| Honorable Justin Jones<br>Clark County Commissioner        | 2020                       | July 21, 2022, to June 30, 2024*      |

\* Designates those Commissioners appointed by the SNWA who have terms that are subject to reappointment and continuation of their service as Directors of SNWA.

The Commission is responsible for the acquisition, management, utilization and development of designated water and electric power resources of the State. It is empowered to receive, protect, safeguard, and hold in trust all rights, interests, and benefits in and to the waters of the Colorado River and such power generated thereon to which Nevada is entitled. The Commission has the authority to make and enter into compacts or contracts and cooperate with other entities, states, and/or the federal government in fulfilling its statutory responsibilities. The Commission's main office is located in Las Vegas, Nevada.

Activities of the Commission are funded from revenue received from power and water contractors. An administrative charge is included in power sales to provide funding for power related activities. Water administrative revenues are received from the SNWA. Interest income earned from investments by the State Treasurer also contributes to revenues. The Commission does not request or receive any State tax allocations or federal funds to support its administrative and operating functions.

Power

Nevada's allocation of hydropower from Hoover, Parker and Davis Dams, and the Salt Lake City Area Integrated Project is purchased by the Commission from the federal government and sold to several contracting entities in southern Nevada, including three rural electrification associations, one municipal and one investor-owned utility, and an industrial complex in Henderson, Nevada. The Commission also seeks and contracts for available capacity and energy from alternative sources in order to meet the needs of the entities it serves. The Commission is also responsible for developing power delivery facilities and providing power, including hydropower, to SNWA's treatment facilities and the Basic Industrial Complex in Henderson, Nevada. The Commission's customer base is set forth in NRS 704.787. The customers include an industrial complex, the SNWA and its member agencies (for water and wastewater pumping) and other customers who qualify for and receive a specific allocation under the Hoover Power Allocation Act of 2011 and other hydropower processes.

## Water

The Commission represents Nevada's interests in interstate matters involving the Colorado River with the SNWA. The Commission and the SNWA work directly with the U.S. Bureau of Reclamation, the other six Colorado River Basin states consisting of Arizona, California, Colorado, New Mexico, Utah, and Wyoming and other water users on the river. The activities include negotiating new water supplies, identifying new operating strategies, balancing water use with a water supply, and developing new mechanisms for interstate water transfers and drought contingency plans. These activities are the focus of the Commission.

## **Factors affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the Commission provides service.

### Clark County (the County) and Local Economy

Although the resources of the Colorado River are allocated to the State, the primary area served by the Commission is Clark County. The majority of the Commission's activities occur in Clark County.

The Clark County encompasses 7,927 square miles. It includes five incorporated cities: Las Vegas, Henderson, North Las Vegas, Boulder City, and Mesquite; fourteen unincorporated towns; one school district; four library districts; one urban and two rural fire districts; one sanitation district; one urban and three rural water districts; and eleven judicial townships.

Clark County's population continues to increase slowly following declines in population reported in 2009 through 2011. The most current certified population estimate (as certified by the State Governor) indicates that Clark County's 2022 population is 2,366,773, a modest 2% increase from 2021's estimated population of 2,320,551. Clark County's population represents approximately 73.5% of the State's 2022 population (estimated at 3,219,785), virtually unchanged from prior year's percentage. Current projections forecast the County population to be 2,409,815 in 2023 and 2,448,017 in 2024. The current demographic estimate indicates continued growth over the next two years also at a rate of approximately 1.7% annually, also virtually unchanged from previous years.

On December 15, 2022, the Nevada Department of Employment, Training, and Rehabilitation reported that statewide employment increased in November by 5,300 jobs from the prior month as the state continues to recover. Still, jobs remain below typical levels but have increased by 57,200 jobs since November 2021. The increase in employment over the year reflects the modest rebound in jobs as the economy recovers. The total employment level in the state is 1,476,100. The State's unemployment rate in November was 4.9%, down only 0.4 percentage points when compared to November of 2021. Las Vegas employment increased by 2,300 jobs (up 0.2%) since October 2022, which represents an increase of 50,000 jobs (4.9%) since November of 2021. Clark County's gaming industry shows strong signs of recovery.

Casinos on the Las Vegas Strip continue to report gaming revenues that exceed 2021's record performance. Nevada casinos reported gaming wins of \$13.5 billion, which is up approximately 10.2 percent over the first 11 months of 2021. Overall, gaming win exceeded \$1 billion for 21 consecutive months as reported by the Gaming Control Board. However, 17 of the 20 markets reported were below November 2021 levels. With events coming back and strong demands for entertainment, and the revenue brought into the market by the Las Vegas Raiders football team, the Las Vegas economy is benefiting from an influx of gaming revenue. Overall, the gaming in Clark County continues to drive the bulk of the upturn in the state.

Over this period, the revenues of the Commission have been relatively stable, and are projected to remain so over the next biennium. The major impact to the Commission has been related to its industrial customer base. These customers have suffered decreases in product demand due to the pandemic and have subsequently reduced projected power purchases. However, the Commission's power resources continue to be among the lowest cost resources available to its customers, so the total impact of reduced demand is not projected to materially impact the Commission's revenues over the biennium.

### Long-term Financial Planning

The financial management division monitors the fund balance of the Commission's general fund to ensure adequate reserves to

fund ongoing operations. State and Commission regulations provide the flexibility to adjust water administrative revenues with each budget cycle and to change power administrative charges with advance notice to the customers.

Acceptable fund balance and cash levels are maintained with an annual internal review and, during the budget cycle (each even numbered year), are reviewed with the customers in budget preparation meetings. Due to the pass-through nature of the Commission's enterprise funds, ending fund balances are not monitored for adequate levels. Cash flow is monitored for these funds, as each month's billings reflect actual revenue requirements for the month. Risk for these funds revolves around the inherent enterprise risk of the Commission's customers.

To ensure ongoing revenues, the Commission monitors the creditworthiness of its customer and vendor base. As most of the customer base is governmental in nature, the risk of financial failure is not significant. For the customers that are not governmental based, the Commission requires deposits against power purchases in amounts determined annually by staff. These deposits are cash with one customer providing a letter of credit issued by financial institution acceptable to the Commission and the State Treasurer. The deposits are equal to at least three months of average power purchases by the customer, or a greater amount as determined by the Commission.

The Commission operates in close concert with all its customers. Some staff members of the Commission's Energy Services group are housed full-time at the SNWA offices, and all customers have access to Commission records and operational information, including real time power purchasing and invoicing amounts.

Cash in all funds is deposited in the State Treasurer's account and the Treasurer acts as the exclusive financial institution for the Commission. Interest income is received from the State Treasurer on all Commission cash. The Commission has no direct control over the investing activities of these resources. Interest income is not significant and is not used in budgeting and cash needs analysis.

#### Market Risk Management

The Commission has adopted an extensive risk management policy in line with current best electric power practices. A combined risk management committee has been established between the Commission and the SNWA. This committee establishes risk parameters, policies, and procedures acceptable to both agencies. While the risk management committee policy is binding on all activities related to the SNWA, the Commission applies these policies to all power procurement activities insofar as they can be applied.

#### Other Information

In August of 2022, the United States Bureau of Reclamation (the Bureau) announced a Level 2 water reduction at Lake Mead under current operating guidelines. While the shortage requirements imposed on the State are currently manageable additional steps must be made to ensure continued operations on the River. The Colorado River Basin States and the federal government continue to work together to develop appropriate plans to manage the resource into the future. Additional information is provided in the Management's Discussion and Analysis section of this report.

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the 46th consecutive year that the Commission has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

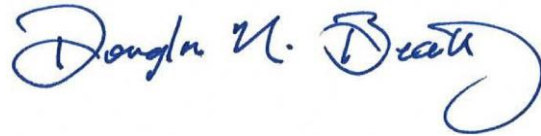
**Acknowledgements**

Preparation of this report could not have been accomplished without the services of the entire staff of the Commission. We would like to express our appreciation to all members of the staff. We would also like to express our thanks to the Commission members for their interest and support in planning and conducting the Commission's financial affairs in a responsible and professional manner.

Respectfully submitted,



Eric Witkoski  
Executive Director



Douglas N. Beatty  
Division Chief, Finance and Administration



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Colorado River Commission of Nevada**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

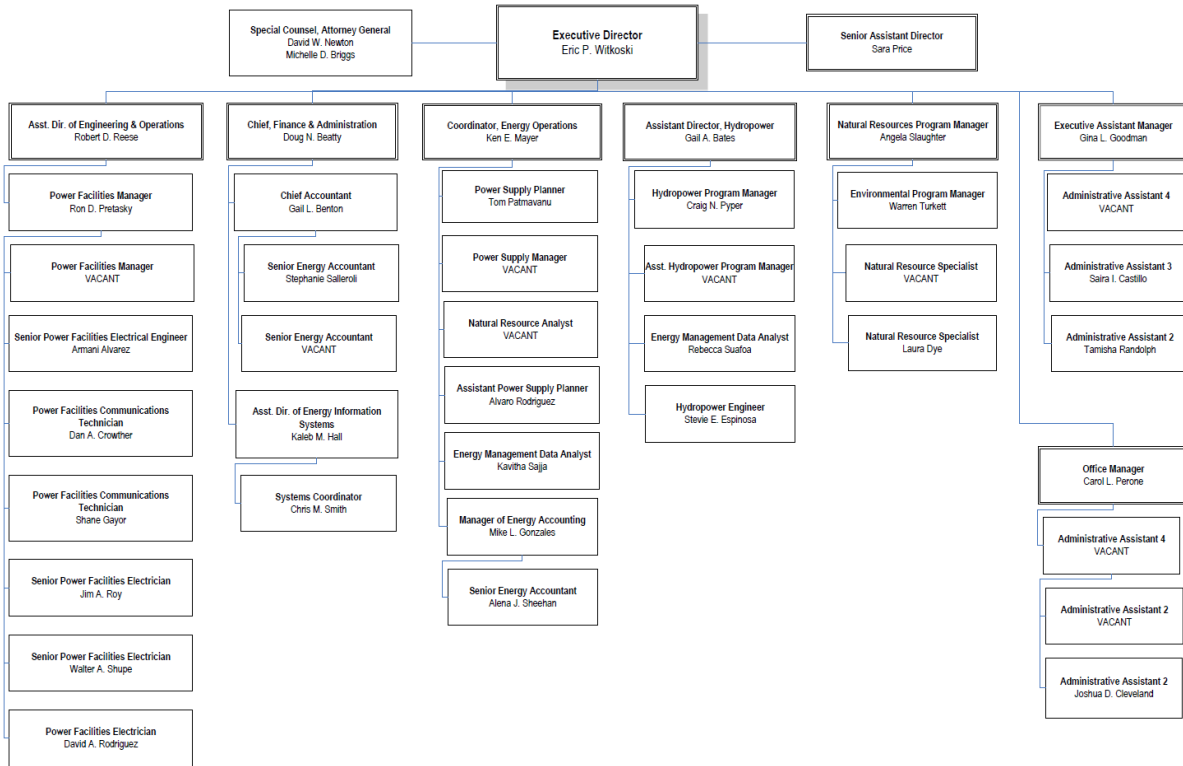
*Christopher P. Morrill*

Executive Director/CEO

COLORADO RIVER COMMISSION OF NEVADA

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2022



**Financial Section**

---



## Report of Independent Auditors

Board of Commissioners  
Colorado River Commission of Nevada

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the budgetary statements for the general fund and the research and development fund of Colorado River Commission of Nevada (the Commission), a component unit of the State of Nevada, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada as of June 30, 2022, and the respective changes in financial position, budgetary statements for the general fund and research and development fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon  
January 27, 2023

## **Management's Discussion and Analysis**

---

## Colorado River Commission of Nevada Management's Discussion and Analysis

---

This section of the Annual Comprehensive Financial Report of the Colorado River Commission of Nevada (the Commission) presents management's overall analysis of financial activities for the fiscal year ended June 30, 2022. This information will provide a more complete picture of Commission activities when read in conjunction with the basic financial statements, notes to the basic financial statements and letter of transmittal.

### Financial Highlights

The assets and deferred outflows of the Commission's governmental activities exceed the liabilities and deferred inflows at the close of the fiscal year by \$6,715,528 (net position). However, the restricted fund balance related to the research and development fund was \$12,077,241; thus, the Commission's general fund's portion of the net position was (\$5,361,713).

The net position in the business-type activities and proprietary (enterprise) funds decreased this year by \$264,768 from \$1,679,512 to \$1,414,744. The net position was expected to remain relatively stable as there were no significant power market changes or changes in programs during the year.

Cash balances in the governmental funds increased slightly during the year, from a reported balance of \$14,304,319 in the year ended June 30, 2021, to \$14,486,228 in the year ended June 30, 2022. This modest increase is a result of normal operations and is not material. Cash in the research and development fund decreased by \$22,335 while cash in the general fund increased by \$204,244.

Total power sales and the total cost of electric service provided to the Commission's customers increased slightly this year, due primarily to increases in power sales, based on costs of production, to the Commission's hydropower customers. Power sales to the industrial customers continued to decline slightly due to continued depressed demand for the products of the industries resulting from the COVID-19 pandemic. Demand for the industrial products is expected to begin to return to normal slowly in the next few years. Hydropower sales revenues remain at the level seen in 2021. Analysis of each fund individually indicates that:

Power marketing fund revenues increased slightly from the prior year. Hydropower production decreased slightly from the past year, but costs (and therefore revenues) increased due to increased maintenance activity as the drought continues. Power revenues in this fund increased from \$27,017,114 in the year ended June 30, 2021, to \$27,651,136 in the year ended June 30, 2022. This represents a 2.35% increase.

Power operating expenses in the Power Marketing Fund increased from \$27,051,495 to \$27,685,710 from the year ended June 30, 2021, to the year ended June 30, 2022. This represents a 2.34% increase. Depreciation, general administrative charges and prepaid power advances remained relatively constant.

## Colorado River Commission of Nevada Management's Discussion and Analysis

---

Revenues of the power delivery fund decreased from \$9,082,731 for the year ended June 30, 2021, to \$8,705,745 for the year ended June 30, 2022. This decrease is the result of a decline in production at the Commission's industrial customer complex as described above. Power Delivery operating expenses experienced a corresponding decrease from \$9,148,849 to \$8,768,838 for the same time period. We expect the power revenues and purchases to begin to increase slightly over the next year as market increases in demand for the industrial products are expected to slowly return in the short term. The decline in projected Commission resources was limited to purchases from power market suppliers. All available hydropower resources will continue to be marketed to our customers.

The Commission continues to be impacted by the COVID-19 pandemic in that its staff is now working from home only part of the work week. All basin state travel and other related costs have not yet returned to normal levels at this time but we are beginning to see many activities begin to return to normal. The relatively flat resource load is expected to continue for a minority of our customers in the next two years. The Commission will continue to supply customer load as needed and will pass the cost of the purchased power to its customers at total cost, including administrative costs. In general, the revenues and costs of the Commission have reduced slightly, but reserve levels remain within acceptable levels and will be monitored as needed to ensure the continuing operations of the Commission. In general, the financial position of the Commission has improved over the past year as the increase in administrative fees restored the level of cash reserves.

The Silver State Energy Association (SSEA) was formed as a joint action agency with the goal of aggregating power load requirements and resources to take advantage of economies of scale and to participate collectively in potential electric power projects. Members of the SSEA includes the Commission, the City of Boulder City, Overton Power District No. 5, Lincoln County Power District No. 1 and the Southern Nevada Water Authority (SNWA). More information about SSEA may be found at [www.silverstateenergy.org](http://www.silverstateenergy.org). Commission personnel continue to serve as contract staff for the SSEA. Power sales and costs related to the SSEA activity are not reported by the Commission. These activities are reported by the SSEA in its financial statements.

### Overview of the Financial Statements

The Commission is a special-purpose State of Nevada (the State or Nevada) government entity. It is empowered primarily to administer the Colorado River water resources allocated to the State by the Federal Government and to provide electric power resources to specific legislatively approved entities. Through the Commission, most of the water resources have been allocated to SNWA, a regional governmental entity. The power resources are provided mostly to governmental or quasi-governmental entities and a limited number of industrial end users grandfathered into the Commission's service authority. Thus, the enterprise funds have a statutorily limited but generally stable customer base. The water function is not intended to serve as an enterprise-type activity and is accounted for in the Commission's general fund. The electric power function, contractually not intended to generate a profit, is accounted for through the use of two enterprise funds. The power marketing fund records the transactions related to the purchase and sale of hydropower resources allocated to the State. These resources are generated from Federal Hydropower Projects (Hoover Dam, Parker-Davis Dam, and others) on the Colorado River. In addition to these funds, the Commission maintains one special revenue fund to account for the Lower Colorado River Multi-Species Conservation Program (LCRMSCP).

## Colorado River Commission of Nevada Management's Discussion and Analysis

---

The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business.

The statement of net position presents information on all the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The functions reported on the Commission's basic financial statements are principally supported by user fees and charges. The water-related activities are supported by an administrative fee assessed on SNWA and the power-related activities are supported through administrative charges assessed as part of the sale of electric resources. Environmental activities are supported through administrative fees assessed on the SNWA and on hydropower customers.

### **Fund Financial Statements**

A fund is a self-balancing group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the Commission can be divided into two categories: governmental and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

# Colorado River Commission of Nevada

## Management's Discussion and Analysis

The Commission maintains two governmental funds, the general fund and the research and development fund. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for both funds. However, only the general fund is considered a major fund.

The Commission maintains two proprietary (enterprise) funds, both of which are also considered major funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in more detail.

The Commission adopts an annual budget for all funds. A budgetary comparison is provided in this report for the two governmental funds.

### Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

### Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial condition. Increases or decreases in the net position may, over time be an indicator of improving or deteriorating financial stability of the entity. However, this must be evaluated with other factors, some of which are detailed in the following tables.

| Summary Statement of Net Position |                         |                     |                    |                          |                     |                     |
|-----------------------------------|-------------------------|---------------------|--------------------|--------------------------|---------------------|---------------------|
|                                   | Governmental Activities |                     |                    | Business-type Activities |                     |                     |
|                                   | 2022                    | 2021                | Change             | 2022                     | 2021                | Change              |
| <b>Assets</b>                     |                         |                     |                    |                          |                     |                     |
| Current                           | \$ 14,804,932           | \$ 14,668,533       | \$ 136,399         | \$ 7,466,706             | \$ 7,863,755        | \$ (397,049)        |
| Noncurrent                        |                         |                     |                    |                          |                     |                     |
| Restricted                        |                         |                     |                    | 2,527,940                | 2,608,606           | (80,666)            |
| Capital assets, net               | 28,065                  | 44,550              | (16,485)           | 41,138,897               | 43,152,138          | (2,013,241)         |
| Other                             |                         |                     |                    | 22,324,432               | 23,114,437          | (790,005)           |
| <b>Total assets</b>               | <b>14,832,997</b>       | <b>14,713,083</b>   | <b>119,914</b>     | <b>73,457,975</b>        | <b>76,738,936</b>   | <b>(3,280,961)</b>  |
| Deferred outflows of resources    | 2,466,657               | 1,237,553           | 1,229,104          | -                        | -                   | -                   |
| <b>Liabilities</b>                |                         |                     |                    |                          |                     |                     |
| Current                           | 816,581                 | 779,154             | 37,427             | 9,425,021                | 9,688,093           | (263,072)           |
| Noncurrent                        | 6,665,279               | 8,747,905           | (2,082,626)        | 62,618,210               | 65,371,331          | (2,753,121)         |
| <b>Total Liabilities</b>          | <b>7,481,860</b>        | <b>9,527,059</b>    | <b>(2,045,199)</b> | <b>72,043,231</b>        | <b>75,059,424</b>   | <b>(3,016,193)</b>  |
| Deferred inflows of resources     | 3,344,947               | 544,506             | 2,800,441          | -                        | -                   | -                   |
| <b>Net position</b>               |                         |                     |                    |                          |                     |                     |
| Net investment in capital assets  | 28,065                  | 44,550              | (16,485)           | 41,138,897               | 43,152,138          | (2,013,241)         |
| Restricted                        | 12,077,241              | 12,080,900          | (3,659)            | -                        | -                   | -                   |
| Unrestricted                      | (5,389,778)             | (6,246,379)         | 856,601            | (39,724,153)             | (41,472,626)        | 1,748,473           |
| <b>Total net position</b>         | <b>\$ 6,715,528</b>     | <b>\$ 5,879,071</b> | <b>\$ 836,457</b>  | <b>\$ 1,414,744</b>      | <b>\$ 1,679,512</b> | <b>\$ (264,768)</b> |



## Colorado River Commission of Nevada Management's Discussion and Analysis

Note that the total assets in the governmental activities increased from the previous year, but the increase is not material. The increase represents normal operational fluctuations in revenues and expenses.

Total assets in the business-type activities and proprietary funds decreased from the previous year. The decrease reflects the depreciation and amortization expense.

|                                         | Summary Changes in Net Position |                     |                   |                          |                     |                     |
|-----------------------------------------|---------------------------------|---------------------|-------------------|--------------------------|---------------------|---------------------|
|                                         | Governmental Activities         |                     |                   | Business-type Activities |                     |                     |
|                                         | 2022                            | 2021                | Change            | 2022                     | 2021                | Change              |
| Revenues                                |                                 |                     |                   |                          |                     |                     |
| Program revenues                        |                                 |                     |                   |                          |                     |                     |
| Charges for services                    | \$ 3,412,462                    | \$ 3,062,382        | \$ 350,080        | \$ 36,277,080            | \$ 36,020,045       | \$ 257,035          |
| General revenues                        |                                 |                     |                   |                          |                     |                     |
| Investment income (loss)                | (377,552)                       | (40,986)            | (336,566)         | (167,101)                | (30,927)            | (136,174)           |
| Gain on disposal of capital assets      |                                 |                     |                   | -                        | 6,420               | (6,420)             |
| Miscellaneous                           | 68,982                          | 66,463              | 2,519             | 79,801                   | 79,800              | 1                   |
| Total revenues                          | <u>3,103,892</u>                | <u>3,087,859</u>    | <u>16,033</u>     | <u>36,189,780</u>        | <u>36,075,338</u>   | <u>114,442</u>      |
| Expenses                                |                                 |                     |                   |                          |                     |                     |
| General government                      | 1,823,734                       | 2,611,950           | (788,216)         | -                        | -                   | -                   |
| Research and development                | 443,701                         | 430,376             | 13,325            | -                        | -                   | -                   |
| Power marketing                         | -                               | -                   | -                 | 27,685,710               | 27,051,495          | 634,215             |
| Power delivery                          | -                               | -                   | -                 | 8,768,838                | 9,148,849           | (380,011)           |
| Total expenses                          | <u>2,267,435</u>                | <u>3,042,326</u>    | <u>(774,891)</u>  | <u>36,454,548</u>        | <u>36,200,344</u>   | <u>254,204</u>      |
| Change in net position before transfers | <u>836,457</u>                  | <u>45,533</u>       | <u>790,924</u>    | <u>(264,768)</u>         | <u>(125,006)</u>    | <u>(139,762)</u>    |
| Transfers                               | -                               | -                   | -                 | -                        | -                   | -                   |
| Change in net positions                 | 836,457                         | 45,533              | 790,924           | (264,768)                | (125,006)           | (139,762)           |
| Net position, beginning of year         | <u>5,879,071</u>                | <u>5,833,538</u>    | <u>45,533</u>     | <u>1,679,512</u>         | <u>1,804,518</u>    | <u>(125,006)</u>    |
| Net position, end of year               | <u>\$ 6,715,528</u>             | <u>\$ 5,879,071</u> | <u>\$ 836,457</u> | <u>\$ 1,414,744</u>      | <u>\$ 1,679,512</u> | <u>\$ (264,768)</u> |

The governmental activities of the Commission are small in comparison to the capital and power purchasing activities. The Commission's water-related efforts and hydropower support activities form the bulk of the governmental programs. These activities are funded on a current basis through administrative assessments and the Commission carries minimal necessary cash balances for these activities. Governmental fund revenues increased slightly this year from the prior year due to increased federal hydropower costs passed on to the Commission's customers. Once again decreased hydrology resulted in a small decrease in related hydropower production. The decrease in governmental expenses represented in this table represent changes due to new accounting pronouncements that require leases to be capitalized and reported as amortization costs.

The activities related to the electric power utility function are large and generate millions of dollars in both revenues and expenses. However, as the Commission's contracts for power allow only for recovery of cost in the enterprise funds, these activities do not contribute significant amounts to net position. In fact, based on timing differences between collections from customers and payment to vendors, the contributions to net position from these activities may be negative in any given year. For the fiscal year ended June 30, 2022, revenues and expenses of the power funds in total remained at 2021 levels.

# Colorado River Commission of Nevada Management's Discussion and Analysis

---

## Governmental Funds Financial Analysis

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All cash receipts and disbursements are processed and recorded by the State Controller. Budgetary and cash control is imposed by the Controller on the general and special revenue funds. Cash control is required for the enterprise funds. No vouchers are processed for payment unless adequate budget authority exists.

The Commission downloads data from the Controller related to revenue and expense transactions. These downloads are imported into a computerized reporting system for financial report preparation purposes. As more fully explained in the notes to the basic financial statements, the accounting policies of the Commission conform to, and its financial statements have been prepared in accordance with, accounting principles generally accepted in the United States (GAAP) applicable to government units.

The Commission is not subject to regulation by federal or state utility regulatory bodies. General governmental activity of the Commission is recorded in the general fund.

Funding sources for the Commission's general fund administrative functions are detailed below:

| General Fund<br>Administrative Funding Sources |                     |               |                     |               |                  |               |
|------------------------------------------------|---------------------|---------------|---------------------|---------------|------------------|---------------|
|                                                | 2022                |               | 2021                |               | Change           |               |
|                                                | Amount              | Percent       | Amount              | Percent       | Amount           | Percent       |
| Revenues                                       |                     |               |                     |               |                  |               |
| Power administrative charges                   | \$ 1,349,906        | 25.87%        | \$ 1,442,134        | 27.77%        | \$ (92,228)      | -6.40%        |
| Water charges                                  | 1,307,081           | 25.05%        | 887,537             | 17.09%        | 419,544          | 47.27%        |
| Investment income (loss)                       | (62,119)            | -1.19%        | (8,594)             | -0.17%        | (53,525)         | 622.82%       |
| Miscellaneous                                  | 68,982              | 1.32%         | 66,463              | 1.28%         | 2,519            | 3.79%         |
| Total revenues                                 | <u>2,663,850</u>    | <u>51.06%</u> | <u>2,387,540</u>    | <u>45.97%</u> | <u>276,310</u>   | <u>11.57%</u> |
| Salaries and overhead recovered by allocation  | <u>2,553,619</u>    | <u>48.94%</u> | <u>2,805,677</u>    | <u>54.03%</u> | <u>(252,058)</u> | <u>-8.98%</u> |
| Total funding sources                          | <u>\$ 5,217,469</u> | <u>100%</u>   | <u>\$ 5,193,217</u> | <u>100%</u>   | <u>\$ 24,252</u> | <u>0.47%</u>  |

Revenues in the Commission's general fund totaled \$2,663,850 for the year ended June 30, 2022, \$276,310 more than the \$2,387,540 realized in the year ended June 30, 2021. The increase is a result of increased resource costs. Allocated salaries and overhead decreased as a result of personnel loss during the year.

## Colorado River Commission of Nevada Management's Discussion and Analysis

---

Change in levels of expenditures from the preceding year was as follows:

|                                                    | General Fund<br>Expenditures |                     |                   |
|----------------------------------------------------|------------------------------|---------------------|-------------------|
|                                                    | 2022                         | 2021                | Change            |
| Expenditures                                       |                              |                     |                   |
| Personnel services                                 | \$ 4,000,710                 | \$ 3,988,999        | \$ 11,711         |
| Travel, out-of-state                               | 16,001                       | 821                 | 15,180            |
| Rent and insurance                                 | 12,858                       | 152,901             | (140,043)         |
| Dues and registration fees                         | 74,577                       | 60,052              | 14,525            |
| Contractual services                               | 144,225                      | 175,085             | (30,860)          |
| Legal                                              | 305,684                      | 539,381             | (233,697)         |
| Water purchases                                    | 14,652                       | 14,518              | 134               |
| Equipment, furniture and fixtures, non-capitalized | 13,716                       | 35,204              | (21,488)          |
| Equipment, furniture and fixtures, capitalized     | -                            | 45,556              | (45,556)          |
| Other                                              | 306,909                      | 286,671             | 20,238            |
| Principal                                          | 117,724                      | -                   | 117,724           |
| Interest                                           | 8,678                        | -                   | 8,678             |
| Capital Outlay                                     | 364,022                      | -                   | 364,022           |
| <br>Total expenditures                             | <u>5,379,756</u>             | <u>5,299,188</u>    | <u>80,568</u>     |
| <br>Salaries and overhead recovered by allocation  | <u>(2,553,619)</u>           | <u>(2,805,677)</u>  | <u>252,058</u>    |
| <br>Net expenditures                               | <u>\$ 2,826,137</u>          | <u>\$ 2,493,511</u> | <u>\$ 332,626</u> |

Note: Certain immaterial prior year amounts have been reclassified to agree to current year presentation.

Allocated salary and overhead are collected and paid by the enterprise fund for the cost incurred by the general fund.

Net expenditures for the year ended June 30, 2022, in the general fund totaled \$2,826,137, which is \$332,626 more than the \$2,493,511 expended during the year ended June 30, 2021. The increase can be attributed to the accounting change in lease cost reporting.

# Colorado River Commission of Nevada Management's Discussion and Analysis

## Research and Development Special Revenue Fund Summary Financial Information

|                                 | 2022          | 2021          | Change    |
|---------------------------------|---------------|---------------|-----------|
| Total Assets                    | \$ 12,145,032 | \$ 12,141,489 | \$ 3,543  |
| Total liabilities               | 67,791        | 60,589        | 7,202     |
| Total fund balance, end of year | 12,077,241    | 12,080,900    | (3,659)   |
| Total revenues                  | 440,042       | 700,318       | (260,276) |
| Total expenditures              | 443,701       | 430,376       | 13,325    |

The research and development fund records the transactions related to the LCRMSCP. The goals of the program are to work toward the recovery of listed species through habitat and species conservation and attempt to reduce the likelihood of additional species listings under the Endangered Species Act. The program will also accommodate current water diversions and power production and optimize opportunities for future water and power development. This program is a 50-year program, and this is the twelfth year of operations under the program. In accordance with the funding contracts, current payments related to the program are now depositing substantial amounts into a reserve account for use related to species habitats in the future. This will continue for the next few years until appropriate expenditures are directed by the United States Bureau of Reclamation. All charges to Commission customers for this program are pursuant to contract.

Fund balances in the general fund and special revenue fund at year end compared to the previous year were:

### Fund Balances - Governmental Funds

|                                               | 2022         | 2021         | Change     |
|-----------------------------------------------|--------------|--------------|------------|
| General fund                                  | \$ 2,378,001 | \$ 2,176,266 | \$ 201,735 |
| Research and development special revenue fund | 12,077,241   | 12,080,900   | (3,659)    |

### General Fund Budgetary Information

There were no significant changes to the budget for the year ended June 30, 2022. The budget to actual comparisons for the Commission's governmental funds is detailed below:

### Summary of Selected General Fund Budget and Actual Information

|                                 | Original Budget | Final Budget | Actual       | Variance     |
|---------------------------------|-----------------|--------------|--------------|--------------|
| Total revenues                  | \$ 4,890,151    | \$ 4,890,151 | \$ 2,663,850 | \$ 2,226,301 |
| Total expenditures              | 4,123,308       | 4,123,308    | 2,826,137    | 1,297,171    |
| Total fund balance, end of year | 2,963,057       | 2,963,057    | 2,378,001    | 585,056      |

Review of revenue budget to actual comparisons show both administrative charges were below budget. The hydropower administrative charge was projected based on anticipated administrative expenditures. The water charges were estimated to include significant utilization of outside consultants. Anticipated contract services were not fully utilized, and water administrative cash reserves were adequate, the billings were reduced to reflect this.

## Colorado River Commission of Nevada Management's Discussion and Analysis

Review of expenditures indicates that personnel costs overall were below budget. The significant positive variances were in personnel; this is due to budgeting unfilled positions at maximum salary levels and loss of staff during the year; outside contractual costs, which were below budgeted amounts due to less activity relating to river related functions that would have required the use of outside experts. The cost allocation amount also reflects budgeted position levels that were not utilized at that level.

### Capital Assets

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2022, is \$41,166,962 (net of accumulated depreciation). This investment includes the power delivery system, automobiles, and equipment (both administrative vehicles and power delivery project utility vehicles), and office furniture. The depreciable lives related to the Commission's automobiles and equipment are dictated by the policies and standards adopted by the State. The Commission does not have the ability to change the policies and standards related to the depreciable lives or methods on its own.

As of June 30, 2022, the Commission's capital assets consisted of the following:

| Capital assets, net of accumulated depreciation and amortization |                         |                  |                    |                          |                      |                       |
|------------------------------------------------------------------|-------------------------|------------------|--------------------|--------------------------|----------------------|-----------------------|
|                                                                  | Governmental Activities |                  |                    | Business-type Activities |                      |                       |
|                                                                  | 2022                    | 2021             | Change             | 2022                     | 2021                 | Change                |
| Power transmission system                                        | \$ -                    | \$ -             | \$ -               | \$ 40,964,358            | \$ 42,957,853        | \$ (1,993,495)        |
| Automobiles and other equipment                                  | 28,065                  | 44,550           | (16,485.0)         | 174,539                  | 194,285              | (19,746)              |
| <b>Total assets</b>                                              | <b>\$ 28,065</b>        | <b>\$ 44,550</b> | <b>\$ (16,485)</b> | <b>\$ 41,138,897</b>     | <b>\$ 43,152,138</b> | <b>\$ (2,013,241)</b> |

Please refer to Note 3 to the financial statements for more detailed information related to the capital assets of the Commission.

### Debt Administration

As of June 30, 2022, outstanding long-term obligations of the Commission consisted of the following:

| Summary of Outstanding Debt         |                          |               |                        |
|-------------------------------------|--------------------------|---------------|------------------------|
|                                     | Average Interest<br>Rate | Maturity Date | Outstanding<br>Balance |
| Hoover Visitor Center, Series 2014E | 3.9%                     | 2043          | \$ 25,215,000          |

The Commission's bonds are both general obligation and revenue supported (double-barreled) bonds. The Hoover visitor center bonds, the only currently outstanding bonds, are taxable bonds. The bonds are backed by the full faith and credit of the State; however, Commission bonds have always been, and will continue to be, self-supporting debt payable from revenues from the sale of power. Please refer to Note 3 to the financial statements for more detailed information related to debt activity of the Commission.

# Colorado River Commission of Nevada Management's Discussion and Analysis

---

## Additional Information

In August of 2022, the United States Bureau of Reclamation (Bureau) announced a tier two water reduction on the Colorado River under current operating guidelines. This declaration limits the amount of water southern Nevada will be allowed to withdraw from Lake Mead beginning in January 2023. This declaration comes one year after the Bureau first issued a water shortage declaration on the Colorado River. Additionally, in August of 2022, Congress passed the Inflation Reduction Act (IRA) that includes \$4 billion for projects that advance water conservation and efficiency efforts to prevent the Colorado River Basin from declining to critically low elevations. The Bureau is in the process of issuing requests for proposals and awarding proposals for short- and long-term conservation and efficiency projects for funding from the IRA that would benefit the Colorado River.

The Bureau has continued to urge the seven basin states to reach a consensus for further major reductions of water deliveries to protect the Colorado River system, with the understanding that if consensus is not reached, the Bureau will impose unilateral operational changes to protect the system. To that end, in November 2022, the Bureau issued a Notice of Intent to Prepare a Supplemental Environmental Impact Statement (SEIS) for the Statement for December 2007 Record of Decision entitled the Interim Guidelines for the Lower Basin Shortages and Continued Operations as Lake Powell and Lake Mead. This SEIS provides the Basin States the opportunity to submit a consensus alternative. It also provides the Bureau the ability to develop a federal alternative, if the Basin States are unsuccessful in reaching consensus or if the consensus alternative is not responsive enough to sufficiently protect the system over the next couple of years while the next series of long term operating guidelines are developed.

This financial report is designed to provide a general overview of the Commission's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Division Chief, Finance and Administration, Colorado River Commission, 555 East Washington Avenue, Suite 3100, Las Vegas, NV 89101. In addition, the Commission maintains a website that provides additional information on all issues discussed in this analysis, on many other programs and projects of the Commission and information related to customers and staff contacts. The website address is <http://crc.nv.gov>.

**Basic Financial Statements**  
**Government-Wide Financial Statements**

---

This page intentionally left blank.



**Colorado River Commission of Nevada**  
**Statement of Net Position**  
**Year Ended June 30, 2022**

|                                                                        | Governmental<br>Activities | Business- type<br>Activities | Total             |
|------------------------------------------------------------------------|----------------------------|------------------------------|-------------------|
| <b>ASSETS</b>                                                          |                            |                              |                   |
| Current assets                                                         |                            |                              |                   |
| Cash and cash equivalents                                              | \$ 14,486,228              | \$ 3,519,723                 | \$ 18,005,951     |
| Accounts receivable, net                                               | 3,278                      | 1,812,535                    | 1,815,813         |
| Interest receivable                                                    | 67,910                     | 21,713                       | 89,623            |
| Due from other governments                                             | 14,020                     | 50,429                       | 64,449            |
| Internal balances                                                      | 233,496                    | (233,496)                    | -                 |
| Prepaid items                                                          | -                          | 609,518                      | 609,518           |
| Prepaid power                                                          | -                          | 1,686,284                    | 1,686,284         |
| Total current assets                                                   | <u>14,804,932</u>          | <u>7,466,706</u>             | <u>22,271,638</u> |
| Noncurrent assets                                                      |                            |                              |                   |
| Restricted assets                                                      |                            |                              |                   |
| Cash and cash equivalents                                              | -                          | 2,527,940                    | 2,527,940         |
| Capital assets, net of accumulated depreciation and amortization       |                            |                              |                   |
| Power transmission system                                              | -                          | 40,964,358                   | 40,964,358        |
| Automobiles and other equipment                                        | 28,065                     | 174,539                      | 202,604           |
| Total capital assets, net of accumulated depreciation and amortization | <u>28,065</u>              | <u>41,138,897</u>            | <u>41,166,962</u> |
| Right-of-use asset, net of accumulated depreciation and amortization   | <u>242,681</u>             | <u>-</u>                     | <u>242,681</u>    |
| Other assets                                                           |                            |                              |                   |
| Prepaid power                                                          | -                          | 22,324,432                   | 22,324,432        |
| Total noncurrent assets                                                | <u>270,746</u>             | <u>65,991,269</u>            | <u>66,262,015</u> |
| Total assets                                                           | <u>15,075,678</u>          | <u>73,457,975</u>            | <u>88,533,653</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                  |                            |                              |                   |
| Deferred outflows related to pensions                                  | 2,244,362                  | -                            | 2,244,362         |
| Deferred outflows related to other postemployment benefits             | 222,295                    | -                            | 222,295           |
| Total deferred outflows of resources                                   | <u>2,466,657</u>           | <u>-</u>                     | <u>2,466,657</u>  |
| Total assets and deferred outflows of resources                        | <u>17,542,335</u>          | <u>73,457,975</u>            | <u>91,000,310</u> |
| <b>LIABILITIES</b>                                                     |                            |                              |                   |
| Current liabilities                                                    |                            |                              |                   |
| Accounts payable                                                       | 32,476                     | 2,632,562                    | 2,665,038         |
| Accrued payroll                                                        | 205,059                    | -                            | 205,059           |
| Due to other governments                                               | 14,020                     | 50,429                       | 64,449            |
| Customer payables, collateral and other deposits                       | 21,980                     | 2,328,050                    | 2,350,030         |
| Unearned revenue                                                       | 76,155                     | 3,362,762                    | 3,438,917         |
| Interest payable                                                       | -                          | 251,218                      | 251,218           |
| Bonds payable                                                          | -                          | 800,000                      | 800,000           |
| Lease liability                                                        | 121,304                    | -                            | 121,304           |
| Compensated absences                                                   | 345,587                    | -                            | 345,587           |
| Total current liabilities                                              | <u>816,581</u>             | <u>9,425,021</u>             | <u>10,241,602</u> |

**Colorado River Commission of Nevada**  
**Statement of Net Position**  
**Year Ended June 30, 2022**

|                                                                    | Governmental<br>Activities | Business- type<br>Activities | Total                |
|--------------------------------------------------------------------|----------------------------|------------------------------|----------------------|
| <b>Noncurrent liabilities</b>                                      |                            |                              |                      |
| Unearned revenue                                                   | \$ -                       | \$ 38,329,102                | \$ 38,329,102        |
| Bonds and notes payable, net of unamortized premiums and discounts | -                          | 24,289,108                   | 24,289,108           |
| Lease liability                                                    | 124,994                    | -                            | 124,994              |
| Compensated absences                                               | 239,629                    | -                            | 239,629              |
| Net pension liability                                              | 3,836,024                  | -                            | 3,836,024            |
| Net other postemployment benefits obligation                       | 2,464,632                  | -                            | 2,464,632            |
|                                                                    | <u>6,665,279</u>           | <u>62,618,210</u>            | <u>69,283,489</u>    |
| Total noncurrent liabilities                                       |                            |                              |                      |
| Total liabilities                                                  | <u>\$ 7,481,860</u>        | <u>\$ 72,043,231</u>         | <u>\$ 79,525,091</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                            |                              |                      |
| Deferred inflows related to pensions                               | \$ 3,244,419               | \$ -                         | \$ 3,244,419         |
| Deferred inflows related to other postemployment benefits          | 100,528                    | -                            | 100,528              |
|                                                                    | <u>3,344,947</u>           | <u>-</u>                     | <u>3,344,947</u>     |
| Total deferred inflows of resources                                |                            |                              |                      |
| Total liabilities and deferred inflows of resources                | <u>10,826,807</u>          | <u>72,043,231</u>            | <u>82,870,038</u>    |
| <b>NET POSITION</b>                                                |                            |                              |                      |
| Net investment in capital assets                                   | 28,065                     | 41,138,897                   | 41,166,962           |
| Restricted                                                         |                            |                              |                      |
| Research and development                                           | 12,077,241                 |                              | 12,077,241           |
| Unrestricted                                                       | <u>(5,389,778)</u>         | <u>(39,724,153)</u>          | <u>(45,113,931)</u>  |
| Total net position                                                 | <u>\$ 6,715,528</u>        | <u>\$ 1,414,744</u>          | <u>\$ 8,130,272</u>  |

**Colorado River Commission of Nevada**  
**Statement of Activities**  
**Year Ended June 30, 2022**

| FUNCTION/ PROGRAM               | Expenses      | Program Revenues<br>Charges for<br>Services | Net (Expense) Revenues and Changes in Net Position |                              |              |
|---------------------------------|---------------|---------------------------------------------|----------------------------------------------------|------------------------------|--------------|
|                                 |               |                                             | Governmental<br>Activities                         | Business- type<br>Activities | Total        |
| Governmental activities         |               |                                             |                                                    |                              |              |
| General government              | \$ 1,823,734  | \$ 2,656,987                                | \$ 833,253                                         | \$ -                         | \$ 833,253   |
| Research and development        | 443,701       | 755,475                                     | 311,774                                            | -                            | 311,774      |
| Total governmental activities   | 2,267,435     | 3,412,462                                   | 1,145,027                                          | -                            | 1,145,027    |
| Business-type activities        |               |                                             |                                                    |                              |              |
| Power marketing                 | 27,685,710    | 27,651,136                                  | -                                                  | (34,574)                     | (34,574)     |
| Power delivery                  | 8,768,838     | 8,625,944                                   | -                                                  | (142,894)                    | (142,894)    |
| Total business-type activities  | 36,454,548    | 36,277,080                                  | -                                                  | (177,468)                    | (177,468)    |
| Total                           | \$ 38,721,983 | \$ 39,689,542                               | 1,145,027                                          | (177,468)                    | 967,559      |
| <b>GENERAL REVENUES</b>         |               |                                             |                                                    |                              |              |
| Investment income (loss)        |               |                                             | (377,552)                                          | (167,101)                    | (544,653)    |
| Miscellaneous                   |               |                                             | 68,982                                             | 79,801                       | 148,783      |
| Total general revenues          |               |                                             | (308,570)                                          | (87,300)                     | (395,870)    |
| CHANGE IN NET POSITION          |               |                                             | 836,457                                            | (264,768)                    | 571,689      |
| NET POSITION, BEGINNING OF YEAR |               |                                             | 5,879,071                                          | 1,679,512                    | 7,558,583    |
| NET POSITION, END OF YEAR       |               |                                             | \$ 6,715,528                                       | \$ 1,414,744                 | \$ 8,130,272 |

**Basic Financial Statements**  
**Fund Financial Statements**

---

**Colorado River Commission of Nevada  
Government Funds – Balance Sheet  
Year Ended June 30, 2022**

|                                                  | General Fund        | Special Revenue<br>Fund<br>Research and<br>Development | Total<br>Governmental<br>Funds |
|--------------------------------------------------|---------------------|--------------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                    |                     |                                                        |                                |
| Cash and cash equivalents                        | \$ 2,397,741        | \$ 12,088,487                                          | \$ 14,486,228                  |
| Accounts receivable, net                         | 3,243               | 35                                                     | 3,278                          |
| Interest receivable                              | 11,400              | 56,510                                                 | 67,910                         |
| Due from other governments                       | 14,020              | -                                                      | 14,020                         |
| Due from other funds                             | 233,496             | -                                                      | 233,496                        |
|                                                  | <u>2,659,900</u>    | <u>12,145,032</u>                                      | <u>14,804,932</u>              |
| Total assets                                     | <u>\$ 2,659,900</u> | <u>\$ 12,145,032</u>                                   | <u>\$ 14,804,932</u>           |
| <b>LIABILITIES</b>                               |                     |                                                        |                                |
| Accounts payable                                 | \$ 32,476           | \$ -                                                   | \$ 32,476                      |
| Accrued payroll                                  | 205,059             | -                                                      | 205,059                        |
| Due to other governments                         | 14,020              | -                                                      | 14,020                         |
| Due to other funds                               | 0                   | -                                                      | -                              |
| Customer payables, collateral and other deposits | 21,980              | -                                                      | 21,980                         |
| Unearned revenue                                 | 8,364               | 67,791                                                 | 76,155                         |
|                                                  | <u>281,899</u>      | <u>67,791</u>                                          | <u>349,690</u>                 |
| Total liabilities                                | <u>281,899</u>      | <u>67,791</u>                                          | <u>349,690</u>                 |
| <b>FUND BALANCES</b>                             |                     |                                                        |                                |
| Restricted for                                   |                     |                                                        |                                |
| Research and development                         | -                   | 12,077,241                                             | 12,077,241                     |
| Unassigned                                       | 2,378,001           | -                                                      | 2,378,001                      |
|                                                  | <u>2,378,001</u>    | <u>12,077,241</u>                                      | <u>14,455,242</u>              |
| Total fund balances                              | <u>2,378,001</u>    | <u>12,077,241</u>                                      | <u>14,455,242</u>              |
| Total liabilities and fund balances              | <u>\$ 2,659,900</u> | <u>\$ 12,145,032</u>                                   | <u>\$ 14,804,932</u>           |

**Colorado River Commission of Nevada**  
**Reconciliation of the Balance Sheet – Governmental Funds to the Statement of**  
**Net Position – Governmental Activities**  
**Year Ended June 30, 2022**

---

|                                                                                                                                                                                                                                            |                    |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| FUND BALANCES, GOVERNMENTAL FUNDS                                                                                                                                                                                                          |                    | \$ 14,455,242       |
| Amounts reported in the statement of net position are different because:                                                                                                                                                                   |                    |                     |
| Capital assets and right-of-use assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:                                                                         |                    |                     |
| Capital assets and right-of-use assets                                                                                                                                                                                                     | \$ 507,418         |                     |
| Less accumulated depreciation and amortization                                                                                                                                                                                             | <u>(236,672)</u>   | 270,746             |
| Deferred outflows and inflows of resources related to pension and other postemployment benefit obligations reported in governmental activities are not current financial resources; and therefore, are not reported in governmental funds: |                    |                     |
| Deferred outflows related to other postemployment benefits                                                                                                                                                                                 | 222,295            |                     |
| Deferred inflows related to other postemployment benefits                                                                                                                                                                                  | (100,528)          |                     |
| Unamortized deferred outflows related to pensions                                                                                                                                                                                          | 2,244,362          |                     |
| Unamortized deferred inflows related to pensions                                                                                                                                                                                           | <u>(3,244,419)</u> | (878,290)           |
| Long-term liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:                                                                                                                |                    |                     |
| Compensated absences payable                                                                                                                                                                                                               | (585,216)          |                     |
| Net other postemployment benefits obligation                                                                                                                                                                                               | (2,464,632)        |                     |
| Net pension liability                                                                                                                                                                                                                      | (3,836,024)        |                     |
| Lease liability                                                                                                                                                                                                                            | <u>(246,298)</u>   | (7,132,170)         |
| NET POSITION, GOVERNMENTAL ACTIVITIES                                                                                                                                                                                                      |                    | <u>\$ 6,715,528</u> |

**Colorado River Commission of Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2022**

|                                                    | General Fund        | Special Revenue<br>Fund<br>Research and<br>Development | Total<br>Governmental<br>Funds |
|----------------------------------------------------|---------------------|--------------------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                    |                     |                                                        |                                |
| Power administrative charges                       | \$ 1,349,906        | \$ -                                                   | \$ 1,349,906                   |
| Water charges                                      | 1,307,081           | -                                                      | 1,307,081                      |
| Multi-species surcharge                            | -                   | 755,475                                                | 755,475                        |
| Investment income (loss)                           | (62,119)            | (315,433)                                              | (377,552)                      |
| Miscellaneous                                      | 68,982              | -                                                      | 68,982                         |
|                                                    | <u>2,663,850</u>    | <u>440,042</u>                                         | <u>3,103,892</u>               |
| <b>EXPENDITURES</b>                                |                     |                                                        |                                |
| General government                                 |                     |                                                        |                                |
| Current                                            |                     |                                                        |                                |
| Personnel services                                 | 4,000,710           | -                                                      | 4,000,710                      |
| Travel, out-of-state                               | 16,001              | -                                                      | 16,001                         |
| Rent and insurance                                 | 12,858              | -                                                      | 12,858                         |
| Dues and registration fees                         | 74,577              | -                                                      | 74,577                         |
| Contractual services                               | 144,225             | -                                                      | 144,225                        |
| Legal                                              | 305,684             | -                                                      | 305,684                        |
| Water purchases                                    | 14,652              | -                                                      | 14,652                         |
| Multi-species assessment                           | -                   | 443,701                                                | 443,701                        |
| Equipment, furniture and fixtures, non-capitalized | 13,716              | -                                                      | 13,716                         |
| Other                                              | 306,909             | -                                                      | 306,909                        |
|                                                    | <u>4,889,332</u>    | <u>443,701</u>                                         | <u>5,333,033</u>               |
| Debt service and related costs                     |                     |                                                        |                                |
| Principal                                          | 117,724             | -                                                      | 117,724                        |
| Interest                                           | 8,678               | -                                                      | 8,678                          |
| Capital Outlay                                     | 364,022             | -                                                      | 364,022                        |
|                                                    | <u>5,379,756</u>    | <u>443,701</u>                                         | <u>5,823,457</u>               |
| Salaries and overhead recovered by allocation      | (2,553,619)         | -                                                      | (2,553,619)                    |
| Net expenditures                                   | <u>2,826,137</u>    | <u>443,701</u>                                         | <u>3,269,838</u>               |
| EXCESS OF REVENUES OVER EXPENDITURES               | <u>(162,287)</u>    | <u>(3,659)</u>                                         | <u>(165,946)</u>               |
| <b>OTHER FINANCING SOURCES</b>                     |                     |                                                        |                                |
| Leases issued                                      | 364,022             | -                                                      | 364,022                        |
| Total other financing sources                      |                     |                                                        |                                |
| CHANGE IN FUND BALANCE                             | 201,735             | (3,659)                                                | 198,076                        |
| FUND BALANCE, BEGINNING OF YEAR                    | <u>2,176,266</u>    | <u>12,080,900</u>                                      | <u>14,257,166</u>              |
| FUND BALANCE, END OF YEAR                          | <u>\$ 2,378,001</u> | <u>\$ 12,077,241</u>                                   | <u>\$ 14,455,242</u>           |

See accompanying notes.

**Colorado River Commission of Nevada  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances –  
 Governmental Fund to the Statement of Activities – Governmental Activities  
 Year Ended June 30, 2022**

---

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|
| CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS                                                                                                                                                                                                                                                                                                                                                                                                                                |                | <u>\$ 198,076</u> |
| Amounts reported in the statement of activities are different because:                                                                                                                                                                                                                                                                                                                                                                                                     |                |                   |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was greater than capital outlays in the current period.                                                                                                                                                  |                | (16,485)          |
| The issuance of lease liabilities provides current financial resources to governmental funds, while the repayment of principal of lease liabilities consumes financial resources of governmental funds. However, in the statement of activities the cost of the underlying right-to-use asset is allocated over the term of the lease as amortization expense. This is the amount by which amortization expense was greater than principal payments on the lease liability |                | (3,617)           |
| Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:                                                                                                                                                                                                                                                                                        |                |                   |
| Change in compensated absences payable                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2,601          |                   |
| Change in net other postemployment benefits obligation and related balances                                                                                                                                                                                                                                                                                                                                                                                                | (72,579)       |                   |
| Change in net pension liability and related absences                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>728,461</u> |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                | 658,483           |
| CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                            |                | <u>\$ 836,457</u> |



**Colorado River Commission of Nevada  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Year Ended June 30, 2022**

|                                                    | Original Budget     | Final Budget        | Actual              | Variance            |
|----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                                    |                     |                     |                     |                     |
| Power administrative charges                       | \$ 2,371,595        | \$ 2,371,595        | \$ 1,349,906        | \$ (1,021,689)      |
| Water charges                                      | 2,407,069           | 2,407,069           | 1,307,081           | (1,099,988)         |
| Investment income (loss)                           | 44,102              | 44,102              | (62,119)            | (106,221)           |
| Miscellaneous                                      | 67,385              | 67,385              | 68,982              | 1,597               |
|                                                    | <u>4,890,151</u>    | <u>4,890,151</u>    | <u>2,663,850</u>    | <u>(2,226,301)</u>  |
| <b>EXPENDITURES</b>                                |                     |                     |                     |                     |
| General government                                 |                     |                     |                     |                     |
| Current                                            |                     |                     |                     |                     |
| Personnel services                                 | 5,633,286           | 5,633,286           | 4,000,710           | (1,632,576)         |
| Travel, out-of-state                               | 36,305              | 36,305              | 16,001              | (20,304)            |
| Travel, in-state                                   | 2,512               | 2,512               | -                   | (2,512)             |
| Rent and insurance                                 | 134,044             | 134,044             | 12,858              | (121,186)           |
| Dues and registration fees                         | 84,987              | 84,987              | 74,577              | (10,410)            |
| Contractual services                               | 596,624             | 596,624             | 144,225             | (452,399)           |
| Legal                                              | 23,957              | 23,957              | 305,684             | 281,727             |
| Water purchases                                    | 13,258              | 13,258              | 14,652              | 1,394               |
| Equipment, furniture and fixtures, non-capitalized | 42,876              | 42,876              | 13,716              | (29,160)            |
| Other                                              | 297,226             | 297,226             | 306,909             | 9,683               |
| Debt service and related costs                     |                     |                     |                     |                     |
| Principal                                          | -                   | -                   | 117,724.00          | 117,724             |
| Interest                                           | -                   | -                   | 8,678.00            | 8,678               |
|                                                    | <u>6,865,075</u>    | <u>6,865,075</u>    | <u>5,015,734</u>    | <u>(1,849,341)</u>  |
| Capital outlay                                     |                     |                     |                     |                     |
| Right-of-use asset                                 | -                   | -                   | 364,022             | 364,022             |
| Equipment, furniture and fixtures, capitalized     | -                   | -                   | -                   | -                   |
|                                                    | <u>-</u>            | <u>-</u>            | <u>364,022</u>      | <u>364,022</u>      |
| Salaries and overhead recovered by allocation      | <u>(2,741,767)</u>  | <u>(2,741,767)</u>  | <u>(2,553,619)</u>  | <u>188,148</u>      |
| Net expenditures                                   | <u>4,123,308</u>    | <u>4,123,308</u>    | <u>2,826,137</u>    | <u>(1,297,171)</u>  |
| EXCESS OF REVENUES OVER EXPENDITURES               | <u>766,843</u>      | <u>766,843</u>      | <u>(162,287)</u>    | <u>(929,130)</u>    |
| <b>OTHER FINANCING SOURCES</b>                     |                     |                     |                     |                     |
| Leases issued                                      | <u>-</u>            | <u>-</u>            | <u>364,022</u>      | <u>364,022</u>      |
| CHANGE IN FUND BALANCE                             | 766,843             | 766,843             | 201,735             | (565,108)           |
| FUND BALANCE, BEGINNING OF YEAR                    | <u>2,196,214</u>    | <u>2,196,214</u>    | <u>2,176,266</u>    | <u>(19,948)</u>     |
| FUND BALANCE, END OF YEAR                          | <u>\$ 2,963,057</u> | <u>\$ 2,963,057</u> | <u>\$ 2,378,001</u> | <u>\$ (585,056)</u> |

**Colorado River Commission of Nevada**  
**Research and Development Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual**  
**Year Ended June 30, 2022**

---

|                                                               | <u>Original Budget</u> | <u>Final Budget</u>  | <u>Actual</u>        | <u>Variance</u>   |
|---------------------------------------------------------------|------------------------|----------------------|----------------------|-------------------|
| <b>REVENUES</b>                                               |                        |                      |                      |                   |
| Multi- species surcharge                                      | \$ 838,973             | \$ 838,973           | \$ 755,475           | \$ (83,498)       |
| Investment income (loss)                                      | 402,972                | 402,972              | (315,433)            | (718,405)         |
| Total revenues                                                | <u>1,241,945</u>       | <u>1,241,945</u>     | <u>440,042</u>       | <u>(801,903)</u>  |
| <b>EXPENDITURES</b>                                           |                        |                      |                      |                   |
| General government                                            |                        |                      |                      |                   |
| Current                                                       |                        |                      |                      |                   |
| Multi-species assessment                                      | <u>1,093,526</u>       | <u>1,093,526</u>     | <u>443,701</u>       | <u>(649,825)</u>  |
| Total expenditures                                            | <u>1,093,526</u>       | <u>1,093,526</u>     | <u>443,701</u>       | <u>(649,825)</u>  |
| EXCESS ( DEFICIENCY) OF REVENUES OVER<br>(UNDER) EXPENDITURES | <u>148,419</u>         | <u>148,419</u>       | <u>(3,659)</u>       | <u>(152,078)</u>  |
| CHANGE IN FUND BALANCE                                        | 148,419                | 148,419              | (3,659)              | (152,078)         |
| FUND BALANCE, BEGINNING OF YEAR                               | <u>11,659,377</u>      | <u>11,659,377</u>    | <u>12,080,900</u>    | <u>421,523</u>    |
| FUND BALANCE, END OF YEAR                                     | <u>\$ 11,807,796</u>   | <u>\$ 11,807,796</u> | <u>\$ 12,077,241</u> | <u>\$ 269,445</u> |

**Colorado River Commission of Nevada**  
**Proprietary Funds**  
**Statement of Net Position**  
**Year Ended June 30, 2022**

|                                                                        | Business-Type Activities |                   |                           |
|------------------------------------------------------------------------|--------------------------|-------------------|---------------------------|
|                                                                        | Power<br>Marketing       | Power Delivery    | Total Enterprise<br>Funds |
| <b>ASSETS</b>                                                          |                          |                   |                           |
| Current assets                                                         |                          |                   |                           |
| Cash and cash equivalents                                              | \$ 2,710,192             | \$ 809,531        | \$ 3,519,723              |
| Accounts receivable, net                                               | 735,894                  | 1,076,641         | 1,812,535                 |
| Interest receivable                                                    | 17,700                   | 4,013             | 21,713                    |
| Due from other governments                                             | 2,121                    | 48,308            | 50,429                    |
| Due from other funds                                                   | -                        | -                 | -                         |
| Prepaid items                                                          | 558,573                  | 50,945            | 609,518                   |
| Prepaid power                                                          | 1,686,284                | -                 | 1,686,284                 |
| Total current assets                                                   | <u>5,710,764</u>         | <u>1,989,438</u>  | <u>7,700,202</u>          |
| Noncurrent assets                                                      |                          |                   |                           |
| Restricted assets                                                      |                          |                   |                           |
| Cash                                                                   | 2,181,424                | 346,516           | 2,527,940                 |
| Capital assets, net of accumulated depreciation and amortization       |                          |                   |                           |
| Power transmission system                                              | 6,251,403                | 34,712,955        | 40,964,358                |
| Automobiles and other equipment                                        | 23,433                   | 151,106           | 174,539                   |
| Total capital assets, net of accumulated depreciation and amortization | <u>6,274,836</u>         | <u>34,864,061</u> | <u>41,138,897</u>         |
| Other assets                                                           |                          |                   |                           |
| Prepaid power                                                          | 22,324,432               | -                 | 22,324,432                |
| Total noncurrent assets                                                | <u>30,780,692</u>        | <u>35,210,577</u> | <u>65,991,269</u>         |
| Total assets                                                           | <u>36,491,456</u>        | <u>37,200,015</u> | <u>73,691,471</u>         |
| <b>LIABILITIES</b>                                                     |                          |                   |                           |
| Current liabilities                                                    |                          |                   |                           |
| Accounts payable                                                       | 1,807,922                | 824,640           | 2,632,562                 |
| Due to other governments                                               | 2,121                    | 48,308            | 50,429                    |
| Customer payables, collateral and other deposits                       | 1,103,280                | 1,224,770         | 2,328,050                 |
| Due to other funds                                                     | 3,088                    | 230,408           | 233,496                   |
| Unearned revenue                                                       | 1,636,190                | 1,726,572         | 3,362,762                 |
| Interest payable                                                       | 251,218                  | -                 | 251,218                   |
| Bonds payable                                                          | 800,000                  | -                 | 800,000                   |
| Total current liabilities                                              | <u>5,603,819</u>         | <u>4,054,698</u>  | <u>9,658,517</u>          |
| Noncurrent liabilities                                                 |                          |                   |                           |
| Unearned revenue                                                       | 5,291,773                | 33,037,329        | 38,329,102                |
| Bonds and notes payable, net of unamortized premiums and discounts     | 24,289,108               | -                 | 24,289,108                |
| Total noncurrent liabilities                                           | <u>29,580,881</u>        | <u>33,037,329</u> | <u>62,618,210</u>         |
| Total liabilities                                                      | <u>35,184,700</u>        | <u>37,092,027</u> | <u>72,276,727</u>         |
| <b>NET POSITION</b>                                                    |                          |                   |                           |
| Net investment in capital assets                                       | 6,274,836                | 34,864,061        | 41,138,897                |
| Restricted                                                             | -                        | -                 | -                         |
| Unrestricted                                                           | (4,968,080)              | (34,756,073)      | (39,724,153)              |
| Total net position                                                     | <u>\$ 1,306,756</u>      | <u>\$ 107,988</u> | <u>\$ 1,414,744</u>       |

See accompanying notes.

**Colorado River Commission of Nevada**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2022**

---

|                                 | Business-type Activities |                   |                        |
|---------------------------------|--------------------------|-------------------|------------------------|
|                                 | Power Marketing          | Power Delivery    | Total Enterprise Funds |
| <b>OPERATING REVENUES</b>       |                          |                   |                        |
| Power sales                     | 27,651,136               | 8,625,944         | \$ 36,277,080          |
| Miscellaneous                   | -                        | 79,801            | \$ 79,801              |
| Total operating revenues        | <u>27,651,136</u>        | <u>8,705,745</u>  | <u>36,356,881</u>      |
| <b>OPERATING EXPENSES</b>       |                          |                   |                        |
| Power purchases                 | 25,492,118               | 4,144,788         | 29,636,906             |
| Prepaid power advances          | 1,686,284                | -                 | 1,686,284              |
| General administration          | 189,246                  | 2,885,329         | 3,074,575              |
| Depreciation                    | 318,062                  | 1,738,721         | 2,056,783              |
| Total operating expenses        | <u>27,685,710</u>        | <u>8,768,838</u>  | <u>36,454,548</u>      |
| Operating loss                  | <u>(34,574)</u>          | <u>(63,093)</u>   | <u>(97,667)</u>        |
| <b>NONOPERATING REVENUES</b>    |                          |                   |                        |
| Investment gain (loss)          | <u>(136,739)</u>         | <u>(30,362)</u>   | <u>(167,101)</u>       |
| CHANGE IN NET POSITION          | (171,313)                | (93,455)          | (264,768)              |
| NET POSITION, BEGINNING OF YEAR | <u>1,478,069</u>         | <u>201,443</u>    | <u>1,679,512</u>       |
| NET POSITION, END OF YEAR       | <u>\$ 1,306,756</u>      | <u>\$ 107,988</u> | <u>\$ 1,414,744</u>    |

**Colorado River Commission of Nevada**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended June 30, 2022**

|                                                                                                    | Business-type Activities |                     |                           |
|----------------------------------------------------------------------------------------------------|--------------------------|---------------------|---------------------------|
|                                                                                                    | Power<br>Marketing       | Power Delivery      | Total Enterprise<br>Funds |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                        |                          |                     |                           |
| Cash received from customers                                                                       | \$ 27,817,396            | \$ 6,555,555        | \$ 34,372,951             |
| Cash received (payments) from interfund services                                                   | -                        | (38,736)            | (38,736)                  |
| Cash received from interfund goods and services                                                    | 1,445                    | -                   | 1,445                     |
| Cash received (payments) from other sources                                                        | (1,814)                  | 79,800              | 77,986                    |
| Cash payments for goods and services                                                               | (25,884,216)             | (6,907,922)         | (32,792,138)              |
| Net cash provided by (used in) operating activities                                                | <u>1,932,811</u>         | <u>(311,303)</u>    | <u>1,621,508</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                             |                          |                     |                           |
| Principal payments on debt                                                                         | (770,000)                | -                   | (770,000)                 |
| Interest payments on debt                                                                          | (1,014,881)              | -                   | (1,014,881)               |
| Net cash provided by (used in) noncapital financing activities                                     | <u>(1,784,881)</u>       | <u>-</u>            | <u>(1,784,881)</u>        |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>                                                |                          |                     |                           |
| Acquisition and construction of capital assets                                                     | (23,628)                 | (19,914)            | (43,542)                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                        |                          |                     |                           |
| Investment loss received                                                                           | (142,899)                | (30,922)            | (173,821)                 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS                                               | (18,597)                 | (362,139)           | (380,736)                 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR                                                       | 4,910,213                | 1,518,186           | 6,428,399                 |
| CASH AND CASH EQUIVALENTS, END OF YEAR                                                             |                          |                     |                           |
| Cash and cash equivalents, unrestricted                                                            | 2,710,192                | 809,531             | 3,519,723                 |
| Cash and cash equivalents, restricted                                                              | 2,181,424                | 346,516             | 2,527,940                 |
|                                                                                                    | <u>\$ 4,891,616</u>      | <u>\$ 1,156,047</u> | <u>\$ 6,047,663</u>       |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED<br/>BY (used in) OPERATING ACTIVITIES</b> |                          |                     |                           |
| Operating loss                                                                                     | \$ (34,574)              | \$ (63,093)         | \$ (97,667)               |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities     |                          |                     |                           |
| Depreciation                                                                                       | 318,062                  | 1,738,721           | 2,056,783                 |
| Amortization of prepaid power                                                                      | 1,804,885                | -                   | 1,804,885                 |
| Amortization of power transmission unearned revenue                                                | (283,488)                | (1,675,627)         | (1,959,115)               |
| Amortization of bond premiums and discounts                                                        | 5,995                    | -                   | 5,995                     |
| (Increase) decrease in operating assets                                                            |                          |                     |                           |
| Accounts receivable                                                                                | 358,725                  | (395,901)           | (37,176)                  |
| Due from other governments                                                                         | (1,814)                  | (48,308)            | (50,122)                  |
| Prepaid items                                                                                      | (41,362)                 | (1,138)             | (42,500)                  |
| Increase (decrease) in operating liabilities                                                       |                          |                     |                           |
| Accounts payable                                                                                   | (155,911)                | 321,871             | 165,960                   |
| Due to other governments                                                                           | 1,814                    | 48,308              | 50,122                    |
| Customer payables, collateral and other deposits                                                   | (126,982)                | (198,539)           | (325,521)                 |
| Due to other funds                                                                                 | 1,445                    | (38,736)            | (37,291)                  |
| Unearned revenue                                                                                   | 91,022                   | 1,139               | 92,161                    |
| Accrued interest                                                                                   | (5,006)                  | -                   | (5,006)                   |
| Total adjustments                                                                                  | <u>1,967,385</u>         | <u>(248,210)</u>    | <u>1,719,175</u>          |
| Net cash provided by (used in) operating activities                                                | <u>\$ 1,932,811</u>      | <u>\$ (311,303)</u> | <u>\$ 1,621,508</u>       |

**Notes to the Financial Statement**

---

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 1 – Summary of Significant Accounting Policies

#### Reporting entity

The Colorado River Commission of Nevada (the Commission) is responsible for managing the State of Nevada's interests in the water and power resources available from the Colorado River.

Seven commissioners have broad statutory authority to govern the Commission, which constitutes the reporting entity. The Commission, as a component unit of the State of Nevada (Nevada or the State), is also an integral part of that reporting entity. There are no other entities for which the Commission is financially accountable, thus requiring them to be reported as a component unit of the Commission.

All the Commission's cash receipts and disbursements are processed and recorded by the State's Controller. Budgetary and cash controls are imposed by the State Controller on the Commission's general and special revenue funds, while other State-imposed cash control requirements apply to the Commission's enterprise funds. The Commission maintains its own revenue, expense and general journals and a general ledger.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

##### Basis of presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) applicable to government units as prescribed by the Governmental Accounting Standards Board (GASB), principally GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended, along with related pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission is not subject to regulation by federal or state utility regulatory bodies such as the Federal Energy Regulatory Commission or the Nevada Public Utilities Commission.

The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect certain reported amounts and disclosures, some of which may require revisions in future periods. Accordingly, actual results could differ from these estimates and assumptions.

*Government-wide financial statements* – The statement of net position and the statement of activities display information on all the activities of the Commission. Eliminations have been made where appropriate to minimize the double counting of internal activities, interfund services provided and used are not eliminated in the process of preparing the government-wide financial statements. These statements distinguish between the Commission's governmental and business-type activities. Governmental activities generally are financed through inter-governmental revenues and other exchange transactions. Business-type activities are financed primarily by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to that particular program or function. Certain indirect costs are included in the program expense reported for individual functions and activities. Program revenues consist of charges paid by the recipients of services offered by the programs. Revenues that are not classified as program revenues are presented as general revenues.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 1 – Summary of Significant Accounting Policies (continued)

*Fund financial statements* – The fund financial statements provide information about the Commission’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues of proprietary funds include investment earnings and revenues resulting from ancillary activities.

The Commission reports the following major governmental funds:

*General fund* – The general fund is the Commission’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Research and development fund* – This fund is used to account for the Lower Colorado River Multi-Species Conservation Program (LCRMSCP or MSCP), a fifty-year program that provides for Endangered Species Act (ESA) compliance. The program is administered by the United States Bureau of Reclamation (USBR) and the Fish and Wildlife Service. Program costs are paid by the USBR and the States of Nevada, California, and Arizona. Nevada’s share of Program funding is paid partially by the Southern Nevada Water Authority (paid directly to the USBR), and partially by the Commission’s hydropower customers. The fund accounts for the collection and remittance of the Hydropower customers’ portion of the program. In addition, certain program reserves are maintained in the fund for future MSCP needs. These reserves are contractually committed to the MSCP program.

Additionally, the Commission reports the following major enterprise funds:

- Power marketing enterprise fund. This fund operates as a public utility and accounts for the activities of providing electrical power generated at a federal facility to its customers.
- Power delivery enterprise fund. This fund is used to account for the construction and operation of power transmission equipment for the Southern Nevada Water Authority (SNWA).

### Measurement Focus and Basis of Accounting

Government-wide and proprietary fund financial statements: The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. For the year ended June 30, 2022, there were no non-exchange transactions (those for which the Commission gives, or receives, value without directly receiving, or giving, equal value in exchange) reported in the accompanying financial statements.



## Colorado River Commission of Nevada

### Notes to Consolidated Financial Statements

---

#### **Note 1 – Summary of Significant Accounting Policies (continued)**

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, principally charges for services and investment income, are susceptible to accrual and, therefore, recognized when measurable and available. Revenues are considered to be available if they are collected within sixty days after year end. Expenditures generally are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, pension liabilities, and compensated absences, which are recognized as expenditures only when payment is due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

#### **Assets and Liabilities**

##### **Cash equivalents**

The Commission's restricted and unrestricted cash is deposited with the State Treasurer (the Treasurer) in a fund similar to an external investment pool (Notes 3 and 4). Because the amounts deposited with the Treasurer are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty, they are deemed to be cash equivalents.

State statutes authorize the Treasurer to invest the Commission's deposits in certain obligations of the United States of America, or its agencies or instrumentalities, and of state and local governments, as well as other financial instruments specified in Section 355.170 of Nevada Revised Statutes (NRS). The Treasurer is also permitted by statute to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Commission had no outstanding securities lending transactions as of June 30, 2022.

Deposit values reflect unrealized gains and losses on invested funds as reported by the Treasurer.

##### **Receivables and payables**

All outstanding balances between funds are reported as "due to/from other funds".

Since sales are made only to customers who are known to have acceptable credit and no bad debts have ever been sustained, an allowance for uncollectible accounts is not considered to be necessary.

##### **Prepaid power and other items**

The Commission has participated with the State in funding the improvement and renovation ("uprating") of the electrical power generation plant and visitors' center at Hoover Dam, which supplies the majority of the power sold through the power marketing fund. These costs are to be reimbursed in the form of power consumption and charged to expense over the estimated useful life of 30 years.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 1 – Summary of Significant Accounting Policies (continued)

#### Restricted assets

The various resources that are limited as to use by bond covenants for debt service, operation and maintenance (O&M), and capital improvement and construction (acquisition) are classified as restricted cash and cash equivalents. Net position is restricted to the extent restricted assets exceed related liabilities and contractually with regard to certain operations and maintenance costs.

#### Leases

Leases are recognized in accordance with GASB Statement No. 87 Leases.

A lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the Commission, and is reduced by principal payments received. The deferred inflow of resources is recognized in an amount equal to the sum of the lease receivable and any payments related to a future period which were received prior to the lease commencement; these deferred inflows of resources are amortized equal to the amount of the annual payments.

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments, and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, reasonably certain residual guarantees. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement, and is subsequently amortized over the life of the lease.

#### Capital assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are reported at acquisition value. The capitalization threshold is \$5,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Power transmission system       | 10-50        |
| Office equipment                | 5            |
| Automobiles and other equipment | 4-6          |

Estimated useful lives are determined by the State and the Commission has no authority to alter the estimated useful lives prescribed by the State.

## **Colorado River Commission of Nevada**

### **Notes to Consolidated Financial Statements**

---

#### **Compensated absences**

It is the Commission's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **Multiple-employer, cost-sharing defined benefit pension plan**

The Commission uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Annual Comprehensive Financial Report for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

#### **Postemployment benefits other than pensions (OPEB)**

For purposes of measuring the Commission's OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Commission's OPEB Plan. For this purpose, the Commission recognizes benefit payments when due and payable in accordance with the benefit terms and investments are reported at estimated fair value.

#### **Deferred inflows and outflows of resources**

Deferred outflows of resources represent a consumption of net assets or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statement of net position reports 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years, and 3) contributions for pensions and OPEB made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) the net difference between projected and actual earnings on investments, which will be amortized over five years, and 3) changes in assumptions or other inputs to the total OPEB liability which are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits.

#### **Unearned revenue**

Unearned revenue represents advanced funding to the Commission from certain customers for the construction of electric power facilities to provide power for the customer's operations. These facilities are dedicated to the exclusive use of those customers and are the only existing method of delivery of electrical resources for their operations. Recovery of the cost of the facilities is a component of the cost of power resources provided and is being recognized over the life of the assets as the assets are consumed (depreciated).

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 1 – Summary of Significant Accounting Policies (continued)

#### Long-term obligations

In the accompanying government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred.

#### Net position

In the government-wide and proprietary fund financial statements net position is displayed in the following three components:

*Net investments in capital assets* – This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted* – The component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation.

*Unrestricted* – The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not reported in Net Investment in Capital Assets or Restricted Net Position.

#### Fund balance

In the governmental fund financial statements fund balance is reported in the following five classifications:

- Nonspendable are amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted is the result of constraints placed on assets that are externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.
- Committed are amounts set aside by formal action of the Commission's members. Formal Commission action is also required to modify or rescind an established commitment.
- Assigned is the result of constraints on amounts imposed by the government's intent to be used for specific purposes but are neither restricted nor committed.
- Unassigned is used for the general fund for any residual amounts not classified in the foregoing four classifications.

#### Prioritization and use of available resources

When both restricted resources and other resources (i.e., committed, assigned and unassigned) can be used for the same purposes, it is the Commission's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the Commission's policy to use committed resources first, assigned second and unassigned last.

## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

---

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Interfund activity**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### **Use of estimates**

Timely preparation of financial statements in conformity with GAAP requires management to make estimates that affect reported amounts and related disclosures. Actual results could differ significantly from those estimates.

Significant estimates that may change materially in the next year include the 1) net pension liability, 2) obligation for postemployment benefits other than pensions, and 3) deferred inflows and outflows of resources. The useful lives of capital assets are also a significant estimate that may require revision in future periods.

### **Note 2 –Stewardship, Compliance and Accountability**

#### **Budgetary information**

Biennial budgets are adopted on a basis consistent with the accounting policies applied for financial reporting purposes by the Commission under GAAP except that encumbrances for goods and services not received by fiscal year end are considered expenditures of the current period solely for budgetary purposes. There were no encumbrances outstanding at the beginning or end of the year. Although budgets are adopted on a biennial basis, each year is treated separately and unexpended budget authorizations lapse at each year end.

Prior to September 1 of each even-numbered year, the State's Director of Administration submits proposed operating budgets to the Nevada Budget Division covering the biennium beginning the following July 1. After review of the budgets by the Nevada Budget Division between September 1 and November 15, hearings involving the Commission, the Director of Administration and the Governor are held between November 15 and December 22, of each budget year. The biennium budgets are transmitted to the State Legislature no later than the 10th day of the legislative session held in odd-numbered years and, for adjourning, the Legislature enacts the budgets.

Net expenditures of the general fund (gross expenditures less amounts allocated to other funds) are controlled by budget categories (personnel services, travel in-state, travel out-of-state, operating expenses, and capital outlay for the general fund; and general and administrative and intergovernmental for the special revenue fund).

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### **Note 2 –Stewardship, Compliance and Accountability (continued)**

Management of the Commission cannot amend any budget categories. However, the Director of Administration is authorized to approve requests for changes in the budget involving transfers between expenditure categories not exceeding 10% of originally budgeted expenditures, or \$30,000 in the aggregate, of the respective budget categories. Any changes exceeding 10% or \$30,000 require approval of the State Legislature's Interim Finance Committee.

#### Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Accordingly, the Commission has adopted the pronouncement as of and for the year ended June 30, 2022. See Note 5.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Accordingly, the Commission has adopted the pronouncement and determined that it does not have a material effect on financial position or changes.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, effective for reporting periods beginning after December 15, 2021. The objectives of this Statement are (1) to clarify the existing definition of conduit debt obligations, (2) to establish that a conduit debt obligation is not a liability of the issuer, (3) to establish standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and (4) to improve required note disclosures. Accordingly, the Commission has evaluated the pronouncement and determined that it will not have a material effect on financial position or changes.

## Colorado River Commission of Nevada

### Notes to Consolidated Financial Statements

---

#### **Note 2 –Stewardship, Compliance and Accountability (continued)**

In January 2020, the GASB issued Statement No. 92, Omnibus 2020, effective for reporting periods beginning after June 15, 2021. The exception is the requirements related to the effective date of Statement No. 87, Leases, Implementation Guide 2019-3, Leases, reissuance recoveries, and terminology used to refer to derivative instruments, which are effective upon issuance. The objectives of this Statement are to address a variety of topics and includes specific provisions about the following: (1) the effective date of Statement No. 87, and Implementation Guide No. 2019-3 for interim financial reports, (2) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit plans; (3) the applicability of Statements No. 73 and No. 74, (4) the applicability of certain requirements of Statement No. 84 to postemployment benefit arrangements; (5) measurement of liabilities related to asset impairment obligations in a government acquisition; (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and (8) terminology used to refer to derivative instruments. Accordingly, the Commission has adopted the pronouncement and determined that it does not have a material effect on financial position or changes.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates, effective for reporting periods beginning after June 15, 2020. In addition, certain requirements of this Statement will become effective for reporting periods beginning after December 31, 2021, and June 15, 2021. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate and the removal of the London Interbank Offered Rate as an appropriate benchmark interest rate. Accordingly, the Commission has evaluated the pronouncement and determined that it will not have a material effect on financial position or changes.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for reporting periods beginning after June 15, 2022. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and provide guidance for accounting and financial reporting for availability payment arrangements. Accordingly, the Commission has evaluated the pronouncement and determined that it will not have a material effect on financial position or changes.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, effective for reporting periods beginning after June 15, 2022. The objectives of this Statement are to define subscription-based information technology arrangements (SBITAs); establish that an SBITA results in a right-to-use subscription asset and a corresponding liability; provide the capitalization criteria for outlays other than subscription payments and require note disclosures regarding an SBITA. The anticipated impact of this pronouncement is uncertain at this time.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### **Note 2 –Stewardship, Compliance and Accountability (continued)**

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for reporting periods beginning after June 15, 2021, except requirements in paragraph 4 and paragraph 5, which are effective upon issuance. The objectives of this Statement are (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board, and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefits (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Accordingly, the Commission has adopted the pronouncement and determined that it does not have a material effect on financial position or changes.

### **Note 3 – Detailed Notes on all Funds**

#### **Cash Deposits**

At June 30, 2022, the Commission's carrying amount of restricted and unrestricted cash and cash equivalents was \$20,533,891. These deposits with the Treasurer are not categorized as to credit risk but are fully insured by the FDIC or collateralized by the State's financial institutions. Securities used as such collateral must total 102% of the deposits with each financial institution.



## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

### Note 3 – Detailed Notes on all Funds (continued)

#### Restricted Cash and Cash Equivalents

Cash and cash equivalents restricted at June 30, 2022, by bond covenants or contractual agreements are summarized as follows:

|                                            |                            |
|--------------------------------------------|----------------------------|
| Restricted for                             |                            |
| Debt service                               | \$ 1,078,392               |
| Reserve for revenue insufficiency          | 263,951                    |
| Cash held by contractual agreement         | <u>1,185,597</u>           |
| Total restricted cash and cash equivalents | <u><u>\$ 2,527,940</u></u> |

#### Capital Assets

For the year ended June 30, 2022, capital asset activity was as follows:

|                                                     | Balance<br>June 30, 2021 | Increases             | Decreases       | Balance<br>June 30, 2022 |
|-----------------------------------------------------|--------------------------|-----------------------|-----------------|--------------------------|
| Governmental activities                             |                          |                       |                 |                          |
| Capital assets being depreciated or amortized       |                          |                       |                 |                          |
| Office furniture and fixtures                       | \$ 24,854                | \$ -                  | \$ -            | \$ 24,854                |
| Automobiles and other equipment                     | 157,114                  | -                     | (38,573)        | 118,541                  |
| Total capital assets being depreciated or amortized | <u>181,968</u>           | <u>-</u>              | <u>(38,573)</u> | <u>143,395</u>           |
| Accumulated depreciation and amortization           |                          |                       |                 |                          |
| Office furniture and fixtures                       | (24,854)                 | -                     | -               | (24,854)                 |
| Automobiles and other equipment                     | (112,564)                | (16,486)              | 38,573          | (90,477)                 |
| Total accumulated depreciation and amortization     | <u>(137,418)</u>         | <u>(16,486)</u>       | <u>38,573</u>   | <u>(115,331)</u>         |
| Total governmental activities                       | <u>\$ 44,550</u>         | <u>\$ (16,486)</u>    | <u>\$ -</u>     | <u>\$ 28,064</u>         |
| Business- type activities                           |                          |                       |                 |                          |
| Capital assets being depreciated or amortized       |                          |                       |                 |                          |
| Power transmission system                           | \$ 88,278,265            | \$ 23,627             | \$ -            | \$ 88,301,892            |
| Automobiles and other equipment                     | 534,023                  | 19,914                | (5,770)         | 548,167                  |
| Total capital assets being depreciated or amortized | <u>88,812,288</u>        | <u>43,541</u>         | <u>(5,770)</u>  | <u>88,850,059</u>        |
| Accumulated depreciation and amortization           |                          |                       |                 |                          |
| Power transmission system                           | (45,320,412)             | (1,993,690)           | -               | \$ (47,314,102)          |
| Automobiles and other equipment                     | (339,738)                | (63,093)              | 5,770           | (397,061)                |
| Total accumulated depreciation and amortization     | <u>(45,660,150)</u>      | <u>(2,056,783)</u>    | <u>5,770</u>    | <u>(47,711,163)</u>      |
| Total business-type activities                      | <u>\$ 43,152,138</u>     | <u>\$ (2,013,242)</u> | <u>\$ -</u>     | <u>\$ 41,138,896</u>     |

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 3 – Detailed Notes on all Funds (continued)

For the year ended June 30, 2022, charges, by function, for depreciation expense were as follows:

|                          |                     |
|--------------------------|---------------------|
| Governmental activities  |                     |
| General government       | <u>\$ 16,486</u>    |
| Business-type activities |                     |
| Power marketing          | \$ 1,738,720        |
| Power delivery           | <u>318,063</u>      |
|                          | <u>\$ 2,056,783</u> |

### Due To and From Other Funds

At June 30, 2022, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

|                                 | <u>Receivable</u> | <u>Payable</u>    |
|---------------------------------|-------------------|-------------------|
| General Fund                    | \$ 233,496        | \$ -              |
| Power Marketing Enterprise Fund | -                 | 3,088             |
| Power Delivery Enterprise Fund  | -                 | <u>230,408</u>    |
|                                 | <u>\$ 233,496</u> | <u>\$ 233,496</u> |

### Unearned Revenue

The Commission has recognized two primary liabilities for unearned revenue, one each in the two enterprise funds. One liability is recorded in Power Delivery Project Fund (PDP) and is related to the electric power transformation and transmission facilities serving the SNWA water treatment and distribution facilities at Lake Mead and in Henderson, Nevada. The other liability is recorded in the Power Marketing Fund and is related to the Basic Step-down Yard facilities serving the Commission's retail Hydropower customers at the industrial complex also in Henderson at a different location. These liabilities represent customer advance funding for Commission owned and operated facilities to provide power for their operations.

The PDP facilities were constructed through the issuance of State of Nevada General Obligation Bonds in September of 1997, September of 1999 and in April of 2005. The facilities constructed are dedicated to the SNWA water related assets and are being used to deliver electric power to the water operations. The cost of the facilities in the form of the bond payment obligation was a component of the charges for power as the Commission delivered electricity to the SNWA. In 2011 and again in 2015 the SNWA prepaid the debt obligation and ultimately extinguished the Commission's Bond liability. This extinguishment constituted a prepayment for a portion of the future cost of the electric resources related to facility use as power will be delivered in the future. The Commission recorded the prepayment and recognized the revenue from the prepayment in concert with the depreciation of the physical assets to match the revenue to the related depreciation costs as the facilities are used.

## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

---

### Note 3 – Detailed Notes on all Funds (continued)

The Basic Step-Down yard facilities were constructed beginning in 1999 through 2002 and were funded through assessments on the retail customers as the facilities were built. Due to the number of customers involved there was no need to issue debt to fund the construction and the project was completed through customer advance funding. The facilities and a liability in the form of unearned revenues were recorded and the depreciation and revenue have been recognized over the life of the assets from the beginning.

At June 30, 2022, \$40,288,214 of the total unearned revenue balance relates to construction and facilities and is being amortized over various useful lives as determined during construction for Phase I, Phase II and River Mountains, and over an average life of the 39.5 years for the Basic Step-down Yard. The remaining balance in unearned revenue primarily relates to amounts received for services not yet rendered as of June 30, 2022.

Unearned revenue at June 30, 2022, will be recognized as follows:

|                             |                      |
|-----------------------------|----------------------|
| For the Year Ended June 30, |                      |
| 2023                        | \$ 1,959,115         |
| 2024                        | 1,959,115            |
| 2025                        | 1,944,655            |
| 2026                        | 1,944,655            |
| 2027                        | 1,944,655            |
| 2028-2032                   | 9,702,323            |
| 2033-2037                   | 9,394,649            |
| 2038-2042                   | 7,307,884            |
| 2043-2047                   | 2,735,919            |
| 2048-2052                   | <u>1,395,244</u>     |
|                             | <u>\$ 40,288,214</u> |

During the year ended June 30, 2022, the Commission recognized total revenue of \$1,959,115 related to the amortization of construction and facilities unearned revenue.

### Long-term Liabilities

*General Obligation Bonds* – Section 3 of Article 9 of the Nevada State Constitution limits public debt to 2% of the State's assessed valuation. The legislature may authorize debt that is not subject to the foregoing limitation to protect and preserve, or obtain the benefits of, any of its property or natural resources. The bonded debt incurred to fund the State's share of the cost of upgrading electrical generating facilities at Hoover Dam does not affect the legal debt margin, because it was incurred to obtain the benefits of the facility.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 3 – Detailed Notes on all Funds (continued)

On March 12, 2014, because of delays in determining a final allocation of shared costs, interim bonds of \$28,425,000 were issued to fund the Commission’s expected share of the cost of construction of the visitor’s center at Hoover Dam, with expenditures charged to prepaid power. In June 2014, the Commission sold the \$29,475,000 Series 2014E General Obligation Refunding bonds, proceeds from which were used to pay off the interim bonds. These bonds mature annually on October 1, 2015, through 2043, with interest payable semi-annually on October 1 and April 1 at annual rates of 0.25% to 4.25%.

Outstanding long-term debt obligations at June 30, 2022, were as follows:

|                                              | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Original Amount</u> | <u>Balance<br/>June 30, 2022</u> |
|----------------------------------------------|----------------------|----------------------|------------------------|----------------------------------|
| Business-type activities                     |                      |                      |                        |                                  |
| General Obligation Bonds                     |                      |                      |                        |                                  |
| General obligation refunding series<br>2014E | 2015 - 2043          | 0.25 to 4.25%        | <u>\$ 29,475,000</u>   | <u>\$ 25,215,000</u>             |

Annual debt service requirements at June 30, 2022, were as follows:

| <u>For the Year Ended June 30,</u> | <u>General Obligation Bonds</u> |                      |
|------------------------------------|---------------------------------|----------------------|
|                                    | <u>Principal</u>                | <u>Interest</u>      |
| 2023                               | \$ 800,000                      | \$ 993,670           |
| 2024                               | 815,000                         | 970,653              |
| 2025                               | 835,000                         | 945,058              |
| 2026                               | 865,000                         | 916,575              |
| 2027                               | 900,000                         | 886,120              |
| 2028-2032                          | 5,000,000                       | 3,899,985            |
| 2033-2037                          | 6,090,000                       | 2,774,613            |
| 2038-2042                          | 6,830,000                       | 1,390,813            |
| 2043-2047                          | 3,080,000                       | 98,813               |
|                                    | <u>\$ 25,215,000</u>            | <u>\$ 12,876,300</u> |

## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

### Note 3 – Detailed Notes on all Funds (continued)

Changes in long-term liabilities for the year ended June 30, 2022, was as follows:

|                                              | Balance<br>6/30/2021 | Increases           | Decreases             | Balance<br>6/30/2022 | Due Within<br>One Year |
|----------------------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental activities                      |                      |                     |                       |                      |                        |
| Compensated absences                         | \$ 587,817           | \$ 343,701          | \$ (346,302)          | 585,216              | 345,587                |
| Net pension liability                        | 6,151,790            | 1,282,875           | (3,598,641)           | 3,836,024            | -                      |
| Postemployment benefits other than pensions  | 2,376,085            | 204,143             | (115,596)             | 2,464,632            | -                      |
| Total governmental activities                | <u>9,115,692</u>     | <u>1,830,719</u>    | <u>(4,060,539)</u>    | <u>6,885,872</u>     | <u>345,587</u>         |
| Business- type activities                    |                      |                     |                       |                      |                        |
| General Obligation Bonds                     |                      |                     |                       |                      |                        |
| General obligation refunding series<br>2014E | 25,985,000           | -                   | (770,000)             | 25,215,000           | 800,000                |
| Total general obligation bonds               | <u>25,985,000</u>    | <u>-</u>            | <u>(770,000)</u>      | <u>25,215,000</u>    | <u>800,000</u>         |
| Unamortized bond discounts                   | (131,886)            | -                   | 5,995                 | (125,891)            | -                      |
| Total business- type activities              | <u>25,853,114</u>    | <u>-</u>            | <u>(764,005)</u>      | <u>25,089,109</u>    | <u>800,000</u>         |
| Total long- term liabilities                 | <u>\$ 34,968,806</u> | <u>\$ 1,830,719</u> | <u>\$ (4,824,544)</u> | <u>\$ 31,974,981</u> | <u>\$ 1,145,587</u>    |

The net pension liability, compensated absences and net other postemployment benefits obligation are paid by the general fund.

*Arbitrage Rebate Requirement* – The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

*Debt Covenants* – Following is a summary of the covenants included in the bond resolutions of the enterprise funds: The Commission is required to charge purchasers of services and all users of the State facilities sufficient amounts to cover all operation and maintenance expenses (except depreciation), all debt service requirements, and any amounts required to be deposited in reserve accounts.

*Monthly transfers for debt service* – A debt service account is required to ensure payment of interest and principal when due. Transfers are made each month from revenues to provide 1/6 of the next semiannual interest payment and 1/12 of the annual bond principal payment.

*Classes of users* – The power marketing fund serves two classes of users, retail utility customers and industrial customers. The power delivery fund serves the SNWA and its customers.

*Other* – Other requirements of the bond covenants include maintaining bond funds in separate depository accounts with the State Treasurer and an audit of the Commission's financial statements by an independent certified public accountant.

During the fiscal year ended June 30, 2022, the Commission complied with all requirements of the bond covenants.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 4 – Other Information

#### Commitments and Contingencies

*Risk Management* – The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Commission participates in the State risk pool and is liable for payment of nominal deductible amounts. The State then becomes responsible for all losses in excess of the nominal insurance deductible.

*Litigation* – The Commission may from time to time be a party to various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to the Commission from such litigation, if any, will not have a material adverse effect on the Commission's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

#### Multiple-employer, Cost-sharing Defined Benefit Pension Plan

The Commission's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The Commission does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

## Colorado River Commission of Nevada

### Notes to Consolidated Financial Statements

---

#### Note 4 – Other Information (continued)

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, there is a 2.5% multiplier, and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or  
The average percentage increase in the Consumer Price Index (or the PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on the monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

The authority of establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

The PERS basic funding policy provides for periodic contributions at a level pattern of cost as of percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the year ended June 30, 2022, the required contribution rates for regular members were 15.50% and 29.75% for employer/employee matching and EPC, respectively. Contributions to the pension plan from the Commission were \$439,323 for the year ended June 30, 2022.

PERS collective net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience study for the period July 1, 2012, to June 30, 2016, dated October 16, 2017), applied to all periods included in the measurement:

|                            |                                                                                                                                                              |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial valuation date   | June 30, 2021                                                                                                                                                |
| Inflation rate             | 2.50%                                                                                                                                                        |
| Investment rate of return  | 7.25%                                                                                                                                                        |
| Discount rate              | 7.25%                                                                                                                                                        |
| Productivity pay increase  | 0.50%                                                                                                                                                        |
| Consumer price index       | 2.50%                                                                                                                                                        |
| Actuarial cost method      | Entry age normal and level percent of payroll                                                                                                                |
| Projected salary increases | Regular: 4.20% to 9.10%, depending on service<br>Police/Fire: 4.60% to 14.50%, depending on<br>service rates include inflation and productivity<br>increases |



## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

At June 30, 2022, mortality rates and projected life expectancies were based on the following:

*Mortality rates (Regular and Police/Fire)* – For healthy members it is the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with two-dimensional mortality improvement scale MP-2020. For ages less than 50, mortality rates are based on the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables.

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members is the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

For pre-retirement members it is the Headcount – Pub-2010 General Employee Amount-Weighted-Above-Median Mortality Table (separate tables for males and females), projected generationally with two-dimensional mortality improvement scale MP-2020.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generation projection is a provision made for future mortality improvement.

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2021:

| <b>ASSET CLASS</b>    | Target<br>Allocation | Long- term<br>Geometric<br>Expected Real<br>Rate of Return * |
|-----------------------|----------------------|--------------------------------------------------------------|
| Domestic equity       | 42%                  | 6.65%                                                        |
| International equity  | 18%                  | 7.18%                                                        |
| Domestic fixed income | 28%                  | 91.00%                                                       |
| Private markets       | 6%                   | 5.25%                                                        |
| Real Estate           | 6%                   | 12.40%                                                       |

\* These geometric return rates are combined to produce the long- term expected rate of return by adding the long- term expected inflation rate of 2.75% .

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021, and 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on the assumption, PERS's fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

The Commission's proportionate share of the net pension liability at year end, calculated using the discount rate of 7.25%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate was as follows:

|                       | <u>1% Decrease in<br/>Discount Rate</u> | <u>Discount Rate</u> | <u>1% Increase in<br/>Discount Rate</u> |
|-----------------------|-----------------------------------------|----------------------|-----------------------------------------|
| Net pension liability | <u>\$ 7,637,400</u>                     | <u>\$ 3,836,024</u>  | <u>\$ 700,199</u>                       |

Detailed information about PERS fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications.

The Commission's proportionate share (amount) of the collective net pension liability was \$3,836,024 which represents 0.04206% of the collective net pension liability, which is an increase from the previous year's proportionate share of 0.04416%. Contributions for employer pay dates within the fiscal year ended June 30, 2021, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their employer contributions relative to the total employer contributions for all employers for the period ended June 30, 2021.

For the year ended June 30, 2022, the Commission's pension expense was \$289,703 and its reported deferred outflows and inflows of resources related to pensions were as follows:

|                                                                                                             | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                          | \$ 424,915                                    | \$ 26,997                                |
| Changes of assumptions                                                                                      | 1,273,626                                     |                                          |
| Net difference between projected and actual earnings on investments                                         |                                               | 3,130,073                                |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 106,498                                       | 87,349                                   |
| Contributions made subsequent to the measurement date and implicit subsidy paid                             | <u>439,323</u>                                |                                          |
|                                                                                                             | <u>\$ 2,244,362</u>                           | <u>\$ 3,244,419</u>                      |

At June 30, 2021, the average expected remaining service life was 6.14 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$439,323 will be recognized as a reduction of the net pension liability in the year beginning July 1, 2022.

## Colorado River Commission of Nevada Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ending June 30,

|            |                       |
|------------|-----------------------|
| 2023       | \$ (417,609)          |
| 2024       | (423,841)             |
| 2025       | (438,604)             |
| 2026       | (475,801)             |
| 2027       | 277,797               |
| Thereafter | <u>38,678</u>         |
|            | <u>\$ (1,439,380)</u> |

### Postemployment Benefits Other Than Pensions (OPEB)

*Plan Description* – The employees of the Commission participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada (PEBP). NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. The PEBP Board is granted the authority to establish and amend the benefit terms of the program. (NRS 287.043).

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing:

Public Employee Benefit Plan  
901 South Stewart Street, Suite 1001  
Carson City, NV 89701

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

Benefits Provided - Employees of the Commission, who meet the eligibility requirements for retirement and, at the time of retirement, are participants in the program, have the option upon retirement to continue group insurance pursuant to NAC 287.530. NRS 287.0436 establishes a subsidy to pay an amount toward the cost of the premium or contribution for persons retired from the Commission. Retirees assume any portion of the premium not covered by the State. The current subsidy rates can be found at [pebp.state.nv.us](http://pebp.state.nv.us). Benefits include health, prescription drug, dental, and life insurance coverage. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual's initial date of hire. Employees hired after December 31, 2011, are not eligible to receive subsidies to reduce premiums. The following individuals and their dependents are eligible to receive subsidies.

Any PEBP covered retiree with the Commission whose last employer was the state and who:

- Was initially hired prior to January 1, 2010, and has at least five years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012, and has at least fifteen years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012, and has at least five years of public service and has a disability: or
- Any PEBP covered retiree whose last employer was not the state and who has been continuously covered under PEBP as a retiree since November 30, 2008.

Contributions - The State allocates funds for payment of current and future post-employment benefits other than pensions as a percentage of budgeted payrolls to all State agencies. The required contribution rate for employers, as a percentage of covered payroll, for the fiscal year ended June 30, 2022, was 2.31%. For the year ended June 30, 2022, these payments totaled \$63,219 for the Commission.

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB the Commission's net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2020. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to PEBP relative to the total contributions of all participating employers. At June 30, 2022, the Commission's proportion was .15897%.

For the year ended June 30, 2022, the Commission's OPEB expense was \$121,349 and its reported deferred outflows and inflows of resources were as follows:

|                                                                                 | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| Changes of assumptions                                                          | \$ 159,076                           | \$ 10,677                        |
| Net difference between projected and actual earnings on investments             | -                                    | 89,851                           |
| Contributions made subsequent to the measurement date and implicit subsidy paid | 63,219                               | -                                |
|                                                                                 | <u>\$ 222,295</u>                    | <u>\$ 100,528</u>                |

**Colorado River Commission of Nevada**  
**Notes to Consolidated Financial Statements**

---

**Note 4 – Other Information (continued)**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$63,219 will be recognized as a reduction of the net OPEB obligation in the year beginning July 1, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year ending June 30,

|      |    |           |
|------|----|-----------|
| 2023 | \$ | 8,030     |
| 2024 |    | 17,152    |
| 2025 |    | 11,969    |
| 2026 |    | (137)     |
|      |    | \$ 37,014 |

*Actuarial Methods and Assumption* – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

|                            |                                            |
|----------------------------|--------------------------------------------|
| Actuarial valuation date   | January 1, 2020                            |
| Inflation rate             | 2.50%                                      |
| Investment rate of return  | 2.21%                                      |
| Projected salary increases | 2.75% average promotional and merit salary |

At June 30, 2022, mortality rates and projected life expectancies were based on the following:

- Mortality rates for healthy individuals were based on the Pub-2010 Public Retirement Plans Mortality Table weighted by Headcount, projected by MP-2020. Co For Disabled individuals the Pub-2010 Public Retirement Plans Safety Disabled Mortality Table weighted by Headcount, projected by MP-2020 was used.

The actuarial assumptions used in the June 30, 2021, valuation was based upon certain demographic and other actuarial assumptions as recommended by the actuary, in conjunction with the State and guidance from the GASB statement.

*Discount Rate* – The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2021, are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The discount rate used to measure the total OPEB liability was 2.21%.

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 4 – Other Information (continued)

Sensitivity of the OPEB liabilities to changes in the discount rate - The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

|                                              | 1% Decrease in<br>Discount Rate | Discount Rate | 1% Increase in<br>Discount Rate |
|----------------------------------------------|---------------------------------|---------------|---------------------------------|
| Net other postemployment benefits obligation | \$ 2,711,398                    | \$ 2,464,632  | \$ 2,194,483                    |

Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates- The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

|                                              | 1% Decrease in<br>Healthcare Cost<br>Rate | Healthcare Cost<br>Rate | 1% Increase in<br>Healthcare Cost<br>Rate |
|----------------------------------------------|-------------------------------------------|-------------------------|-------------------------------------------|
| Net other postemployment benefits obligation | \$ 2,266,098                              | \$ 2,464,632            | \$ 2,630,307                              |

OPEB plan fiduciary net position - Detailed information about the OPEB plans' fiduciary net position is available in the separately issued audited annual financial statements of the State of Nevada State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program financial report.

### Joint Venture

The Commission is a member of the Silver State Energy Association (SSEA). SSEA was established as a joint venture through an interlocal agreement among the member agencies (Members), which, in addition to the Commission, include the City of Boulder City, Lincoln Power District No. 1, Overton Power District No. 5 and the SNWA.

SSEA is an association of public agencies with the common goal of jointly planning, developing, owning, and operating power resources to meet their own needs and those of their customers. The economies of scale produced by the SSEA offer improved project development opportunities and power purchasing capabilities, the sharing of resources and expertise, and the opportunity for jointly managed energy needs.

As appropriate projects are selected for development, the Members involved in each project enter into a project service agreement (PSA) indicating each participating Member's allocation of project costs. Due to statutory limitations on the Commission's customer base, the Commission does not expect to participate financially in any of the projects of the SSEA. Accordingly, the Commission's involvement is limited to providing state-level nonfinancial participation in joint venture activities.

**Colorado River Commission of Nevada**  
**Notes to Consolidated Financial Statements**

---

**Note 4 – Other Information (continued)**

The business and other affairs of the SSEA are conducted by a Board of Directors consisting of one director appointed by each Member. The appointed director may, but need not be, a member of the governing body of the Member.

Financial information regarding SSEA can be obtained by writing:

Manager of Energy Accounting  
 Silver State Energy Association  
 P.O. Box 99956, MS 115  
 Las Vegas, Nevada 89193-9956

**Note 5 – Leased Assets and Lease Liabilities**

During the year ended June 30, 2022, the Commission implemented GASB Statement No. 87, Leases, which resulted in the addition of a new category of leased right-to-use assets. Under the leased space arrangement, with the State of Nevada, the Commission makes quarterly payments of \$31,600.50 in exchange for control of, and the right-to-use, the specified asset. This asset and the related liability were recognized at the present value of expected future minimum lease payments expected to be paid during the lease term using the Commission's estimated incremental borrowing rate of 3.00%. The non-cancelable period of the lease arrangement is in effect through June 2024.

Lease asset activity for the fiscal year ended June 30, 2022 was as follows:

| <u>Governmental Activities:</u> | <u>Balance</u><br><u>July 1, 2021</u> | <u>Additions</u>    | <u>Reductions</u> | <u>Balance</u><br><u>June 30, 2022</u> |
|---------------------------------|---------------------------------------|---------------------|-------------------|----------------------------------------|
| Leased assets                   |                                       |                     |                   |                                        |
| State Owned Building            | \$ 364,022                            | \$ -                | \$ -              | \$ 364,022                             |
| Less accumulated amortization   |                                       |                     |                   |                                        |
| State Owned Building            | -                                     | (121,341)           | -                 | (121,341)                              |
| Leased assets, net              | <u>\$ 364,022</u>                     | <u>\$ (121,341)</u> | <u>\$ -</u>       | <u>\$ 242,681</u>                      |

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u><br><u>Payments</u> | <u>Interest</u><br><u>Payments</u> | <u>Total</u>      |
|---------------------------------------|-------------------------------------|------------------------------------|-------------------|
| 2023                                  | \$ 121,304                          | \$ 5,098                           | \$ 126,402        |
| 2024                                  | 124,994                             | 1,408                              | 126,402           |
|                                       | <u>\$ 246,298</u>                   | <u>\$ 6,505</u>                    | <u>\$ 252,803</u> |

# Colorado River Commission of Nevada

## Notes to Consolidated Financial Statements

---

### Note 5 – Leased Assets and Lease Liabilities (continued)

The following table illustrates the change in lease liabilities during the year ended June 30, 2022:

| <u>Governmental Activities:</u> | <u>Balance</u><br><u>July 1, 2021</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u><br><u>June 30, 2022</u> |
|---------------------------------|---------------------------------------|------------------|-------------------|----------------------------------------|
| Lease Liabilities               | \$ 367,639                            | \$ -             | \$ (121,341)      | \$ 246,298                             |

### Related Party

The Commission is governed by seven commissioners, three of whom are appointed by the Southern Nevada Water Authority (SNWA) and four, including the Board Chair, are appointed by the Nevada Governor. The Commission and SNWA do not share staff members or members of management. The SNWA, a local governmental organization, is also one of the Commission's principal revenue payers. For the year ended June 30, 2022, the Commission received revenues from the SNWA for power and water resources of \$12,249,554 but made no payments to the SNWA for any purpose. In addition, the Commission works with other public entities, states, and governmental entities in fulfilling its statutory responsibilities; however, no other entity has representatives on the Commission's Board.

The SNWA publishes an Annual Comprehensive Financial Report which can be seen on their website at SNWA.com.

### Subsequent Events

In August of 2022, the United States Bureau of Reclamation (Bureau) announced a tier two water reduction on the Colorado River under current operating guidelines. This declaration limits the amount of water southern Nevada will be allowed to withdraw from Lake Mead beginning in January 2023. This declaration comes one year after the Bureau first issued a water shortage declaration on the Colorado River. Additionally, in August of 2022, Congress passed the Inflation Reduction Act (IRA) that includes \$4 billion for projects that advance water conservation and efficiency efforts to prevent the Colorado River Basin from declining to critically low elevations. The Bureau is in the process of issuing requests for proposals and awarding proposals for short- and long-term conservation and efficiency projects for funding from the IRA that would benefit the Colorado River.

The Bureau has continued to urge the seven basin states to reach a consensus for further major reductions of water deliveries to protect the Colorado River system, with the understanding that if consensus is not reached, the Bureau will impose unilateral operational changes to protect the system. To that end, in November 2022, the Bureau issued a Notice of Intent to Prepare a Supplemental Environmental Impact Statement (SEIS) for the Statement for December 2007 Record of Decision entitled the Interim Guidelines for the Lower Basin Shortages and Continued Operations as Lake Powell and Lake Mead. This SEIS provides the Basin States the opportunity to submit a consensus alternative. It also provides the Bureau the ability to develop a federal alternative, if the Basin States are unsuccessful in reaching consensus or if the consensus alternative is not responsive enough to sufficiently protect the system over the next couple of years while the next series of long-term operating guidelines are developed.



## **Supplementary Information**

---

**Colorado River Commission of Nevada  
Multiple-Employer, Cost-Sharing Defined Benefit Pension Plan  
Proportionate Share of the Collective Net Pension Liability Information  
For the Year Ended June 30, 2022 and Last Ten Fiscal Years\***

---

| Measurement Date June 30, | Proportion of the<br>Collective Net<br>Pension Liability | Proportion of the<br>Collective Net<br>Pension Liability | Covered<br>Payroll | Proportion of the<br>Collective Net<br>Pension Liability<br>as a Percentage<br>of Covered<br>Payroll | PERS Fiduciary<br>Net Position as a<br>Percentage of<br>Total Pension<br>Liability |
|---------------------------|----------------------------------------------------------|----------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 2014                      | 0.04795%                                                 | \$ 6,305,091                                             | 2,348,229          | 268.50%                                                                                              | 76.31%                                                                             |
| 2015                      | 0.04795%                                                 | 4,997,140                                                | 2,531,235          | 197.42%                                                                                              | 75.13%                                                                             |
| 2016                      | 0.04902%                                                 | 6,596,117                                                | 2,575,317          | 256.13%                                                                                              | 72.23%                                                                             |
| 2017                      | 0.04412%                                                 | 5,867,314                                                | 2,701,732          | 217.17%                                                                                              | 74.40%                                                                             |
| 2018                      | 0.04395%                                                 | 5,993,734                                                | 2,856,435          | 209.83%                                                                                              | 75.21%                                                                             |
| 2019                      | 0.04390%                                                 | 5,986,027                                                | 2,970,488          | 201.52%                                                                                              | 76.46%                                                                             |
| 2020                      | 0.04416%                                                 | 6,151,790                                                | 3,091,661          | 213.56%                                                                                              | 77.04%                                                                             |
| 2021                      | 0.04206%                                                 | 3,836,024                                                | 2,880,547          | 141.18%                                                                                              | 86.51%                                                                             |

\*Information for the multiple-employer, cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

**Colorado River Commission of Nevada**  
**Multiple-employer, cost-sharing defined benefit pension plan**  
**Statutorily required contribution information**  
**For the year ended June 30, 2022 and last ten fiscal years\***

---

| For the Year Ended June 30, | Statutorily<br>Required<br>Contribution | Contributions in<br>relation to the<br>Statutorily<br>Required<br>Contribution | Contribution<br>Excess<br>(Deficiency) | Covered<br>Payroll | Contributions as<br>a Percentage of<br>Covered Payroll |
|-----------------------------|-----------------------------------------|--------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------------------------|
| 2014                        | \$ 527,504                              | \$ 527,504                                                                     | \$ -                                   | \$ 2,348,229       | 22.46%                                                 |
| 2015                        | 507,091                                 | 507,091                                                                        | -                                      | 2,531,235          | 20.03%                                                 |
| 2016                        | 523,411                                 | 523,411                                                                        | -                                      | 2,575,317          | 20.32%                                                 |
| 2017                        | 395,979                                 | 395,979                                                                        | -                                      | 2,701,732          | 14.66%                                                 |
| 2018                        | 406,477                                 | 406,477                                                                        | -                                      | 2,856,435          | 14.23%                                                 |
| 2019                        | 423,042                                 | 423,042                                                                        | -                                      | 2,970,488          | 14.24%                                                 |
| 2020                        | 460,007                                 | 465,000                                                                        | 4,993                                  | 3,091,661          | 15.04%                                                 |
| 2021                        | 439,283                                 | 440,847                                                                        | 1,564                                  | 2,880,547          | 15.30%                                                 |
| 2022                        | 421,137                                 | 440,277                                                                        | 19,140                                 | 2,717,013          | 16.20%                                                 |

\*Information for the multiple-employer, cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

**Colorado River Commission of Nevada**  
**Postemployment benefits other than pensions (OPEB)**  
**Proportionate share of the collective net OPEB obligation information**  
**For the year ended June 30, 2022 and last ten fiscal years\***

---

| For the Measurement Year Ended June 30, | Proportion of the<br>Collective Net<br>OPEB<br>Obligation | Proportion of the<br>Collective Net<br>OPEB<br>Obligation | Covered<br>Payroll | Proportion of the<br>Collective Net<br>OPEB<br>Obligation as a<br>Percentage of<br>Covered Payroll | Plan Fiduciary<br>Net Position as a<br>Percentage of<br>Net OPEB<br>Obligation |
|-----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 2017                                    | 0.17%                                                     | \$ 2,261,443                                              | \$ 2,701,732       | 78.22%                                                                                             | 11.33%                                                                         |
| 2018                                    | 0.17%                                                     | 2,218,398                                                 | 2,891,310          | 70.04%                                                                                             | 0.12%                                                                          |
| 2019                                    | 0.16%                                                     | 2,267,166                                                 | 3,167,417          | 73.01%                                                                                             | 0.02%                                                                          |
| 2020                                    | 0.16%                                                     | 2,376,085                                                 | 3,105,221          | 82.49%                                                                                             | 0.38%                                                                          |
| 2021                                    | 0.16%                                                     | 2,464,632                                                 | 2,880,547          | 85.56%                                                                                             | 0.64%                                                                          |

\*Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

**Colorado River Commission of Nevada**  
**Postemployment benefits other than pensions (OPEB)**  
**Contractually required contribution information**  
**For the year ended June 30, 2022 and last ten fiscal years\***

---

|      | Contractually<br>Required<br>Contribution | Contributions in<br>relation to the<br>Contractually<br>Required<br>Contribution | Contribution<br>Excess<br>(Deficiency) | Covered<br>Payroll | Contributions as<br>a Percentage of<br>Covered Payroll |
|------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------------------------|
| 2018 | \$ 68,235                                 | \$ 66,117                                                                        | \$ (2,118)                             | \$ 2,749,712       | 2.40%                                                  |
| 2019 | 52,354                                    | 69,279                                                                           | 16,925                                 | 3,167,417          | 2.19%                                                  |
| 2020 | 72,662                                    | 72,662                                                                           | -                                      | 3,105,221          | 2.34%                                                  |
| 2021 | 69,340                                    | 69,340                                                                           | -                                      | 2,880,547          | 2.41%                                                  |
| 2022 | 63,219                                    | 63,219                                                                           | -                                      | 2,726,372          | 2.32%                                                  |

\*Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

## **Colorado River Commission of Nevada** **Notes to Required Supplementary Information**

---

### **Note 1 – Multiple-employer, Cost-sharing Defined Benefit Pension Plan**

For the year ended June 30, 2022, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2021.

The actuarial valuation report dated June 30, 2014, was the first valuation for the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional information related to multiple-employer, cost-sharing defined benefit pension plan can be found in Notes 1 and 4 to the basic financial statements.

### **Note 2 – Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2022, no significant events occurred that affected the benefit provision, size or composition of those covered by the postemployment benefit plans.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Additional information related to postemployment benefits other than pensions can be found in Notes 1 and 4 to the basic financial statements.



## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Colorado River Commission of Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities each major fund, and the budgetary statements for the general fund and the research and development fund of the Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 27, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon  
January 27, 2023



## **Statistical Section**

---

## Colorado River Commission of Nevada

### Statistical Information for the Year Then Ended June 30, 2022

---

The information contained in this section is designed to aid in analyzing trends and in determining the Commission's overall financial health and operating strategies and should be read in conjunction with the financial statements, note disclosures, and required supplementary information. This information is presented in the following general areas:

- Financial Trends
  - ◆ The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.
    - Net Position by Component
    - Changes in Net Position
    - Fund Balances – Governmental Funds
    - Changes in Fund Balances – Governmental Funds
  
- Revenue Capacity
  - ◆ The following tables contain revenue capacity information to enable the reader to assess the relative contribution of each of the Commission's customers to revenues and to make assessments on the ability to continue to generate that revenue.
    - Principal Revenue Payers
  
- Debt Capacity
  - ◆ The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.
    - Ratios of Outstanding Debt
    - Available Revenue Debt Coverage
  
- Demographic and Economic Information
  - ◆ The following tables contain demographic and economic information to enable the reader to understand the general environment within which financial activities take place.
    - Demographic Statistics – Clark County, Nevada
    - Principal Employers – Clark County, Nevada
  
- Operating Information
  - ◆ The following tables contain operating information to enable the reader to understand how the information contained in the financial statements, note disclosures, and required supplementary information relates to services provided and activities performed.
    - Employees by Department
    - Capital Asset Statistics by Function
    - Operating Indicators - Power Purchases in Megawatt Hours
    - Risk Management

**Colorado River Commission of Nevada**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                  | June 30,<br>2013    | June 30,<br>2014    | June 30,<br>2015    | June 30,<br>2016    | June 30,<br>2017    | June 30,<br>2018    | June 30,<br>2019    | June30,<br>2020     | June 30,<br>2021    | June 30,<br>2022    |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental activities</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets | \$ 10,925           | \$ 7,673            | \$ 4,887            | \$ 2,102            |                     | \$ 21,878           | \$ 16,284           | \$ 10,690           | \$ 44,550           | \$ 28,065           |
| Restricted                       | 5,203,611           | 8,125,768           | 9,537,522           | 9,882,973           | 10,276,431          | 10,731,129          | 11,199,713          | 11,810,958          | 12,080,900          | 12,077,241          |
| Unrestricted                     | 2,955,658           | 2,712,559           | (4,203,575)         | (3,350,978)         | (6,392,441)         | (5,857,560)         | (6,190,276)         | (5,988,110)         | (6,246,379)         | (5,389,778)         |
| Total governmental activities    | <u>8,170,194</u>    | <u>10,846,000</u>   | <u>5,338,834</u>    | <u>6,534,097</u>    | <u>3,883,990</u>    | <u>4,895,447</u>    | <u>5,025,721</u>    | <u>5,833,538</u>    | <u>5,879,071</u>    | <u>6,715,528</u>    |
| <b>Business-type activities</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets | 3,854,233           | 1,728,620           | 46,451,402          | 52,621,510          | 50,398,692          | 49,057,477          | 47,131,765          | 45,162,047          | 43,152,138          | 41,138,896          |
| Restricted                       | 711,215             | 712,019             | 712,991             | 714,403             | 929,332             |                     |                     |                     |                     |                     |
| Unrestricted                     | (3,137,388)         | (5,470,443)         | (46,037,051)        | (51,815,787)        | (49,660,384)        | (47,279,370)        | (45,378,198)        | (43,357,529)        | (41,472,626)        | (39,724,151)        |
| Total business-type activities   | <u>1,428,060</u>    | <u>(3,029,804)</u>  | <u>1,127,342</u>    | <u>1,520,126</u>    | <u>1,667,640</u>    | <u>1,778,107</u>    | <u>1,753,567</u>    | <u>1,804,518</u>    | <u>1,679,512</u>    | <u>1,414,745</u>    |
| <b>Primary government</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment in capital assets | 3,865,158           | 1,736,293           | 46,456,289          | 52,623,612          | 50,398,692          | 49,079,355          | 47,148,049          | 45,172,737          | 43,196,688          | 41,166,961          |
| Restricted                       | 5,914,826           | 8,837,787           | 10,250,513          | 10,597,376          | 11,205,763          | 10,731,129          | 11,199,713          | 11,810,958          | 12,080,900          | 12,077,241          |
| Unrestricted                     | (181,730)           | (2,757,884)         | (50,240,626)        | (55,166,765)        | (56,052,825)        | (53,136,930)        | (51,568,474)        | (49,345,639)        | (47,719,005)        | (45,113,931)        |
| Total primary government         | <u>\$ 9,598,254</u> | <u>\$ 7,816,196</u> | <u>\$ 6,466,176</u> | <u>\$ 8,054,223</u> | <u>\$ 5,551,630</u> | <u>\$ 6,673,554</u> | <u>\$ 6,779,288</u> | <u>\$ 7,638,056</u> | <u>\$ 7,558,583</u> | <u>\$ 8,130,271</u> |

**Colorado River Commission of Nevada**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                                                             | June 30,<br>2013 | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 |
|-----------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| <b>Expenses</b>                                                             |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Governmental activities                                                     |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| General government                                                          | \$ 2,058,890     | \$ 2,595,457     | \$ 2,637,347     | \$ 2,620,776     | \$ 3,371,208     | \$ 2,323,521     | \$ 3,248,545     | \$ 3,278,609    | \$ 3,042,326     | \$ 2,267,435     |
| Business-type activities                                                    |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Power marketing                                                             | 41,041,108       | 27,386,283       | 25,179,606       | 24,642,788       | 25,967,737       | 28,828,579       | 28,220,693       | 28,095,112      | 27,051,495       | 27,685,710       |
| Power delivery                                                              | 39,959,001       | 36,891,400       | 32,812,396       | 23,277,768       | 15,096,211       | 14,082,693       | 15,565,314       | 16,101,489      | 9,148,849        | 8,768,838        |
| Total business-type activities                                              | 81,000,109       | 64,277,683       | 57,992,002       | 47,920,556       | 41,063,948       | 42,911,272       | 43,786,007       | 44,196,601      | 36,200,344       | 36,454,548       |
| Total primary government expenses                                           | \$ 83,058,999    | \$ 66,873,140    | \$ 60,629,349    | \$ 50,541,332    | \$ 44,435,156    | \$ 45,234,793    | \$ 47,034,552    | \$ 47,475,210   | \$ 39,242,670    | \$ 38,721,983    |
| <b>Program revenues</b>                                                     |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Governmental activities                                                     |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Charges for services                                                        | \$ 4,138,884     | \$ 5,201,004     | \$ 2,637,178     | \$ 3,669,136     | \$ 2,836,483     | \$ 2,998,306     | \$ 3,186,873     | \$ 3,633,384    | \$ 3,062,382     | \$ 3,412,462     |
| Total governmental activities                                               | 4,138,884        | 5,201,004        | 2,637,178        | 3,669,136        | 2,836,483        | 2,998,306        | 3,186,873        | 3,633,384       | 3,062,382        | 3,412,462        |
| Business-type activities                                                    |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Charges for services                                                        | 76,767,441       | 59,981,854       | 55,645,061       | 48,249,124       | 41,169,782       | 42,836,695       | 43,706,570       | 44,108,036      | 36,020,045       | 36,277,080       |
| Total primary government program revenues                                   | \$ 80,906,325    | \$ 65,182,858    | \$ 58,282,239    | \$ 51,918,260    | \$ 44,006,265    | \$ 45,835,001    | \$ 46,893,443    | \$ 47,741,420   | \$ 39,082,427    | \$ 39,689,542    |
| Net (expenses) program revenues                                             | \$ 2,079,994     | \$ 2,605,547     | \$ (169)         | \$ 1,048,360     | \$ (534,725)     | \$ 674,785       | \$ (61,672)      | \$ 354,775      | \$ 20,056        | \$ 1,145,027     |
| Governmental activities                                                     | (4,232,668)      | (4,295,829)      | (2,346,941)      | 328,568          | 105,834          | (74,577)         | (79,437)         | (88,565)        | (180,299)        | (177,468)        |
| Business-type activities                                                    | \$ (2,152,674)   | \$ (1,690,282)   | \$ (2,347,110)   | \$ 1,376,928     | \$ (428,891)     | \$ 600,208       | \$ (141,109)     | \$ 266,210      | \$ (160,243)     | \$ 967,559       |
| Primary government                                                          |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| <b>General revenues and other changes in net position</b>                   |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Governmental activities                                                     |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Investment income (loss)                                                    | \$ 29,285        | \$ 14,672        | \$ 202,937       | \$ 91,125        | \$ 95,846        | \$ 278,095       | \$ 212,331       | \$ 382,851      | \$ (40,986)      | \$ (377,552)     |
| Gain on disposal of capital assets                                          |                  |                  |                  |                  |                  |                  |                  |                 |                  | 4,920            |
| Miscellaneous                                                               |                  | 55,587           | 67,653           | 55,778           | 59,255           | 58,577           | 61,251           | 70,191          | 66,463           | 64,062           |
| Total governmental activities                                               | 29,285           | 70,259           | 270,590          | 146,903          | 155,101          | 336,672          | 273,582          | 453,042         | 25,477           | (308,570)        |
| Business-type activities                                                    |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Investment income (loss)                                                    | 78,478           | 12,063           | 171,238          | 55,232           | 41,680           | 185,044          | 47,021           | 139,516         | (30,927)         | (167,101)        |
| Gain on disposal of capital assets                                          |                  | 4,065            |                  | 8,984            |                  |                  |                  |                 | 6,420            | -                |
| Miscellaneous                                                               |                  |                  |                  |                  |                  |                  |                  |                 | 79,800           | 79,801           |
| Total business-type activities                                              | 78,478           | 16,128           | 171,238          | 64,216           | 41,680           | 185,044          | 47,021           | 139,516         | 55,293           | (87,300)         |
| Total primary government general revenues and other changes in net position | \$ 107,763       | \$ 86,387        | \$ 441,828       | \$ 211,119       | \$ 196,781       | \$ 521,716       | \$ 320,603       | \$ 592,558      | \$ 80,770        | \$ (395,871)     |
| Change in net position                                                      |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Governmental activities                                                     | \$ 2,109,279     | \$ 2,675,806     | \$ 270,421       | \$ 1,195,263     | \$ (379,624)     | \$ 1,011,457     | \$ 211,910       | \$ 807,817      | \$ 45,533        | \$ 836,457       |
| Business-type activities                                                    | (4,154,190)      | (4,279,701)      | (2,175,703)      | 392,784          | 147,514          | 110,467          | (32,416)         | 50,951          | (125,006)        | (264,768)        |
| Primary government                                                          | \$ (2,044,911)   | \$ (1,603,895)   | \$ (1,905,282)   | \$ 1,588,047     | \$ (232,110)     | \$ 1,121,924     | \$ 179,494       | \$ 858,768      | \$ (79,473)      | \$ 571,689       |

**Colorado River Commission of Nevada**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

---

|                          | June 30,<br>2013    | June 30,<br>2014    | June 30,<br>2015    | June 30,<br>2016    | June 30,<br>2017    | June 30,<br>2018    | June 30,<br>2019    | June 30,<br>2020    | June 30,<br>2021    | June 30,<br>2022    |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General fund             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable             |                     |                     |                     |                     |                     |                     |                     | \$ 16,547           |                     |                     |
| Restricted               |                     |                     |                     |                     |                     |                     |                     |                     | 4,227               |                     |
| Unassigned               | <u>\$ 3,304,782</u> | <u>\$ 3,051,126</u> | <u>\$ 2,040,963</u> | <u>\$ 2,938,016</u> | <u>\$ 2,325,767</u> | <u>\$ 2,132,561</u> | <u>\$ 1,935,201</u> | <u>\$ 2,265,690</u> | <u>\$ 2,172,039</u> | <u>\$ 2,378,001</u> |
| Other governmental funds |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Restricted               | <u>\$ 5,203,611</u> | <u>\$ 8,125,768</u> | <u>\$ 9,537,522</u> | <u>\$ 9,882,973</u> | <u>\$10,276,431</u> | <u>\$10,731,129</u> | <u>\$11,199,713</u> | <u>\$11,810,958</u> | <u>\$12,080,900</u> | <u>\$12,077,241</u> |

**Colorado River Commission of Nevada**  
**Changes in Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                                                      | June 30,<br>2013    | June 30,<br>2014    | June 30,<br>2015  | June 30,<br>2016    | June 30,<br>2017    | June 30,<br>2018  | June 30,<br>2019  | June 30,<br>2020  | June 30,<br>2021  | June 30,<br>2022  |
|----------------------------------------------------------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                                      |                     |                     |                   |                     |                     |                   |                   |                   |                   |                   |
| Water charges                                                        | \$ 2,397,406        | \$ 2,200,221        | \$ 1,374,176      | \$ 3,000,450        | \$ 2,162,854        | \$ 2,371,683      | \$ 2,487,823      | \$ 2,912,999      | \$ 2,329,671      | \$ 2,656,987      |
| Multi-species surcharge                                              | 1,741,478           | 3,000,783           | 1,263,002         | 668,686             | 673,629             | 626,623           | 699,050           | 720,385           | 732,710           | 755,475           |
| Investment income (loss)                                             | 29,285              | 14,672              | 202,937           | 91,125              | 95,846              | 278,095           | 212,331           | 382,851           | (40,986)          | (377,552)         |
| Miscellaneous                                                        |                     | 55,587              | 67,653            | 55,778              | 59,255              | 58,577            | 61,251            | 67,385            | 66,463            | 68,982            |
| <b>Total revenues</b>                                                | <b>4,168,169</b>    | <b>5,271,263</b>    | <b>2,907,768</b>  | <b>3,816,039</b>    | <b>2,991,584</b>    | <b>3,334,978</b>  | <b>3,460,455</b>  | <b>4,083,620</b>  | <b>3,087,858</b>  | <b>3,103,892</b>  |
| <b>EXPENDITURES</b>                                                  |                     |                     |                   |                     |                     |                   |                   |                   |                   |                   |
| General administration                                               | 1,974,816           | 2,514,358           | 2,491,039         | 2,165,754           | 2,838,816           | 2,660,273         | 2,758,974         | 2,698,531         | 2,146,766         | 2,050,187         |
| Multi-species assessment                                             |                     |                     |                   | 394,061             | 358,618             | 399,966           | 408,828           | 425,556           | 430,376           | 443,701           |
| Water purchases                                                      | 14,244              | 15,074              | 15,138            | 13,717              | 12,941              | 13,255            | 12,229            | 13,258            | 14,518            | 14,652            |
| Other                                                                | 18,183              | 73,330              |                   |                     |                     |                   |                   |                   | 332,227           | 761,298           |
| <b>Total expenditures</b>                                            | <b>2,007,243</b>    | <b>2,602,762</b>    | <b>2,506,177</b>  | <b>2,573,532</b>    | <b>3,210,375</b>    | <b>3,073,494</b>  | <b>3,180,031</b>  | <b>3,137,345</b>  | <b>2,923,887</b>  | <b>3,269,838</b>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>2,160,926</b>    | <b>2,668,501</b>    | <b>401,591</b>    | <b>1,242,507</b>    | <b>(218,791)</b>    | <b>261,484</b>    | <b>280,424</b>    | <b>946,275</b>    | <b>163,971</b>    | <b>(165,946)</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                     |                   |                     |                     |                   |                   |                   |                   |                   |
| Proceeds from capital asset disposal                                 |                     |                     |                   |                     |                     |                   |                   | 2,806             |                   |                   |
| Leases issued                                                        |                     |                     |                   |                     |                     |                   |                   |                   |                   | 364,022           |
| <b>CHANGE IN FUND BALANCE</b>                                        | <b>\$ 2,160,926</b> | <b>\$ 2,668,501</b> | <b>\$ 401,591</b> | <b>\$ 1,242,507</b> | <b>\$ (218,791)</b> | <b>\$ 261,484</b> | <b>\$ 280,424</b> | <b>\$ 949,081</b> | <b>\$ 163,971</b> | <b>\$ 198,076</b> |

**Colorado River Commission of Nevada  
Principal Revenue Payers  
Last Ten Fiscal Years  
(Unaudited)**

|                                           | June 30,<br>2013     | June 30,<br>2014     | June 30,<br>2015     | June 30,<br>2016     | June 30,<br>2017     | June 30,<br>2018     | June 30,<br>2019     | June 30,<br>2020     | June 30,<br>2021     | June 30,<br>2022    |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Southern Nevada Water Authority           | \$ 39,874,221        | \$ 15,461,521        | \$ 14,358,251        | \$ 12,179,218        | \$ 12,203,475        | \$ 11,827,537        | \$ 11,713,784        | \$ 11,850,798        | \$ 12,813,670        | \$12,249,554        |
| Basic Water Company                       | 762,502              | 927,791              | 1,010,474            | 759,596              | 823,636              | 935,995              | 1,043,885            | 990,984              | 544,084              | 586,092             |
| Timet Metals Corporation                  | 8,644,733            | 12,140,825           | 11,426,000           | 9,358,046            | 9,582,350            | 8,667,540            | 10,669,394           | 9,727,386            | (826,393)            | 54,029              |
| Olin Chlor Alkaline (formerly Pioneer)    | 7,932,926            | 11,692,303           | 10,207,738           | 5,976,246            | 383,347              | 330,139              | 260,497              | 236,662              | 122,773              | 129,932             |
| LHOIST (formerly Chemical Lime Company)   | 60,431               | 60,153               | 52,184               | 70,022               | 74,523               | 89,454               | 66,033               | 61,531               | 37,263               | 32,838              |
| EMD Acquisitions (formerly Tronox, LLC)   | 1,777,310            | 1,869,709            | 1,856,809            | 2,018,316            | 1,973,513            | 2,667,509            | 1,914,198            | 2,164,385            | 418,664              | 1,559,493           |
| American Pacific Corporation              | 2,467,512            | 3,454,082            | 2,882,906            | 2,087,232            | 41,886               | 1,002                | 2,173                |                      |                      |                     |
| Lincoln County Power District No. 1       | 1,700,354            | 1,531,438            | 1,372,495            | 1,403,957            | 1,460,670            | 1,818,072            | 1,726,867            | 1,464,654            | 1,497,393            | 1,587,223           |
| Overton Power District No.5               | 2,301,447            | 2,453,914            | 2,040,250            | 2,174,710            | 2,351,212            | 2,287,432            | 2,285,133            | 2,201,791            | 3,283,980            | 3,229,025           |
| Valley Electric Association               | 2,632,025            | 3,094,859            | 2,639,510            | 2,286,746            | 3,676,756            | 3,103,415            | 3,192,139            | 4,008,456            | 3,579,561            | 4,571,513           |
| NV Energy (formerly Nevada Power Company) | 11,497,753           | 11,217,704           | 9,234,032            | 9,814,515            | 10,134,276           | 11,182,056           | 10,590,762           | 11,041,337           | 11,547,354           | 11,495,976          |
| City of Boulder City                      | 1,204,679            | 1,251,852            | 1,175,756            | 1,258,457            | 1,278,026            | 1,400,132            | 1,370,511            | 1,404,565            | 1,379,672            | 1,362,635           |
| Las Vegas Valley Water District           | 6,669                | 6,044                | 5,976                |                      |                      | 405,067              | 462,231              | 323,486              | 447,812              | 452,517             |
| City of Henderson                         | 17,961               | 19,831               | 19,070               | 16,947               | 16,089               | 227,417              | 259,669              | 259,284              | 259,291              | 258,343             |
| Clark County School District              |                      |                      |                      |                      |                      | 167,866              | 188,645              | 25,846               | (140,744)            | (186,750)           |
| Clark County Water Reclamation District   |                      |                      |                      |                      |                      | 199,424              | 231,372              | 228,509              | 304,646              | 307,433             |
| City of Las Vegas                         |                      |                      |                      |                      |                      | 193,310              | 364,096              | 222,796              | 219,117              | 224,372             |
| City of North Las Vegas                   |                      |                      |                      |                      |                      | 157,961              | 205,416              | 84,458               | 82,937               | 84,075              |
| City of Mesquite                          |                      |                      |                      |                      |                      | 87,634               | 115,416              | 47,849               | 47,273               | 47,576              |
| University of Nevada-Las Vegas            |                      |                      |                      |                      |                      |                      | 173,785              | 11,604               | (132,095)            | (173,155)           |
| Tenaska                                   |                      |                      |                      |                      |                      |                      |                      | 1,001,276            | 3,498,975            | 1,835,440           |
| Western Area Power Administration (WAPA)  |                      |                      |                      |                      |                      |                      |                      | 411,609              | 295,456              | 176,521             |
| Raw water sales                           | 802                  | 832                  | 787                  | 6,529                | 6,506                | 767                  | 760                  | 814                  | 820                  | 835                 |
| Other power sales                         |                      |                      |                      |                      |                      | 85,272               | 56,676               | 40,702               | (52,817)             | (51,234)            |
| <b>Total</b>                              | <b>\$ 80,881,325</b> | <b>\$ 65,182,858</b> | <b>\$ 58,282,238</b> | <b>\$ 49,410,537</b> | <b>\$ 44,006,265</b> | <b>\$ 45,835,001</b> | <b>\$ 46,893,442</b> | <b>\$ 47,810,782</b> | <b>\$ 39,228,692</b> | <b>\$39,834,283</b> |

**Colorado River Commission of Nevada**  
**Ratios of Outstanding Debt<sup>1, 2</sup>**  
**Last Ten Fiscal Years**  
**In Thousands, Except Per Capita**  
**(Unaudited)**

| For the Year Ended June 30, | Power Uprating<br>Refunding Bonds<br>Series 2002 | Power Delivery<br>Refunding Bonds<br>Series 2005I | General Obligation<br>Refunding Bonds<br>Series 2011B | General Obligation<br>Refunding Bonds<br>Series 2012E | General Obligation<br>Refunding Bonds<br>Series 2014E | Unamortized<br>Premium | Unamortized<br>Discount | Unamortized<br>Adjustments | Total Debt    | Charges for<br>Services |
|-----------------------------|--------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|------------------------|-------------------------|----------------------------|---------------|-------------------------|
| 2013                        |                                                  | \$ 47,755,000                                     | \$ 5,545,000                                          | \$ 17,085,000                                         |                                                       | \$ 2,915,211           |                         | \$ (2,859,522)             | \$ 70,440,689 | \$ 80,966,325           |
| 2014                        |                                                  | 47,755,000                                        | 5,545,000                                             | 13,110,000                                            | 29,475,000                                            | 2,255,216              | (173,851)               |                            | 97,966,365    | 65,182,858              |
| 2015                        |                                                  |                                                   | 5,545,000                                             | 8,960,000                                             | 29,475,000                                            | 758,899                | (167,856)               |                            | 44,571,043    | 58,282,239              |
| 2016                        |                                                  |                                                   | 5,545,000                                             | 4,595,000                                             | 29,055,000                                            | 186,942                | (161,861)               |                            | 39,220,081    | 51,918,260              |
| 2017                        |                                                  |                                                   | 5,545,000                                             |                                                       | 28,635,000                                            |                        | (155,866)               |                            | 34,024,134    | 44,006,265              |
| 2018                        |                                                  |                                                   |                                                       |                                                       | 28,210,000                                            |                        | (149,872)               |                            | 28,060,128    | 45,835,001              |
| 2019                        |                                                  |                                                   |                                                       |                                                       | 27,480,000                                            |                        | (143,877)               |                            | 27,336,123    | 46,893,443              |
| 2020                        |                                                  |                                                   |                                                       |                                                       | 26,740,000                                            |                        | (137,882)               |                            | 26,602,118    | 47,741,420              |
| 2021                        |                                                  |                                                   |                                                       |                                                       | 25,985,000                                            |                        | (131,886)               |                            | 25,853,114    | 39,082,427              |
| 2022                        |                                                  |                                                   |                                                       |                                                       | 25,215,000                                            |                        | (125,891)               |                            | 25,089,109    | 39,689,542              |

| For the Year Ended June 30, | Charges for<br>Services to Total<br>Debt Ratio | Total Debt as a<br>Percentage of<br>Personal Income | Total Debt Per<br>Capita |
|-----------------------------|------------------------------------------------|-----------------------------------------------------|--------------------------|
| 2013                        | 1.15                                           | 0.91%                                               | \$ 1,786                 |
| 2014                        | 0.67                                           | 1.20%                                               | 2,498                    |
| 2015                        | 1.31                                           | 0.52%                                               | 1,094                    |
| 2016                        | 1.32                                           | 0.44%                                               | 930                      |
| 2017                        | 1.29                                           |                                                     |                          |
| 2018                        | 1.63                                           |                                                     |                          |
| 2019                        | 1.72                                           |                                                     |                          |
| 2020                        | 1.79                                           |                                                     |                          |
| 2021                        | 1.51                                           |                                                     |                          |
| 2022                        | 1.58                                           |                                                     |                          |



**Colorado River Commission of Nevada**  
**Available Revenue Debt Coverage<sup>1</sup>**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| For the Year Ended June 30, | Gross Revenues | Less Operating Expenses | Add Back Depreciation | Net Available Revenues | Debt Service |              |               | Coverage |
|-----------------------------|----------------|-------------------------|-----------------------|------------------------|--------------|--------------|---------------|----------|
|                             |                |                         |                       |                        | Principal    | Interest     | Total         |          |
| 2013                        | \$ 80,906,325  | \$ 78,792,267           | \$ 2,024,826          | \$ 4,138,884           | \$ 6,065,000 | \$ 4,416,732 | \$ 10,481,732 | 0.39     |
| 2014                        | 65,182,858     | 62,010,746              | 2,024,827             | 5,196,939              | 4,005,000    | 3,242,334    | 7,247,334     | 0.72     |
| 2015                        | 58,282,239     | 55,799,470              | 2,346,941             | 4,829,710              | 3,975,000    | 3,279,188    | 7,254,188     | 0.67     |
| 2016                        | 49,410,536     | 48,093,319              | 2,351,919             | 3,669,136              | 4,785,000    | 1,690,220    | 6,475,220     | 0.57     |
| 2017                        | 44,006,265     | 41,063,948              | 2,352,198             | 5,294,515              | 5,015,000    | 1,464,645    | 6,479,645     | 0.82     |
| 2018                        | 45,835,001     | 42,911,272              | 2,034,801             | 4,958,530              | 5,970,000    | 1,208,183    | 7,178,183     | 0.69     |
| 2019                        | 46,893,443     | 43,786,007              | 2,038,550             | 5,145,986              | 730,000      | 1,062,535    | 1,792,535     | 2.87     |
| 2020                        | 47,741,420     | 44,196,601              | 2,047,682             | 5,592,501              | 740,000      | 1,049,840    | 1,789,840     | 3.12     |
| 2021                        | 39,082,427     | 36,200,344              | 2,059,612             | 4,941,695              | 755,000      | 1,033,573    | 1,788,573     | 2.76     |
| 2022                        | 39,689,542     | 36,277,080              | 2,056,783             | 5,469,245              | 770,000      | 1,014,880    | 1,784,880     | 3.06     |

1. Water and power customers are contractually obligated to provide revenues sufficient to cover all operation and maintenance expenses except depreciation, plus all principal and interest requirements on outstanding debt. Operating losses, accumulated deficits and negative coverage ratios are the result of not charging for certain recorded expenses, such as depreciation, amortization of debt and pre-operational expenses. As annual requirements of debt principal progressively increase, annual revenues are expected to exceed recorded expenses, because principal payments are recorded as reductions of long-term debt rather than expenses. The losses, deficits and negative coverage ratios are expected to be progressively reduced and finally eliminated as the annual retirement of debt principal increase.

**Colorado River Commission of Nevada  
Demographic Statistics – Clark County, Nevada<sup>1</sup>  
Last Ten Fiscal Years  
(Unaudited)**

| For the Year Ended June 30, | Population <sup>3</sup> | Personal Income<br>(in thousands) <sup>2</sup> | Per Capita<br>Income <sup>2</sup> | Total Labor Force <sup>4</sup> | Unemployment<br>Rate <sup>5</sup> |
|-----------------------------|-------------------------|------------------------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| 2013                        | \$ 2,031,723            | \$ 77,298,937                                  | \$ 39,436                         | \$ 1,009,941                   | 9.90%                             |
| 2014                        | 2,069,450               | 81,821,005                                     | 39,223                            | 1,023,712                      | 8.20%                             |
| 2015                        | 2,118,353               | 86,305,938                                     | 40,742                            | 1,049,522                      | 7.10%                             |
| 2016                        | 2,107,031               | 88,885,102                                     | 42,185                            | 1,059,667                      | 6.40%                             |
| 2017                        | 2,205,207               |                                                |                                   | 1,077,435                      | 5.20%                             |
| 2018                        | 2,233,000               |                                                |                                   | 1,097,668                      | 4.70%                             |
| 2019                        | 2,284,616               |                                                |                                   | 1,123,095                      | 4.80%                             |
| 2020                        | 2,325,798               |                                                |                                   | 1,110,574                      | 17.80%                            |
| 2021                        | 2,342,885               |                                                |                                   | 1,118,775                      | 7.40%                             |
| 2022                        | 2,333,092               |                                                |                                   | 1,453,971                      | 4.40%                             |

1. The Commission is primarily a wholesale provider of electric power and only holds in trust the rights of the State of Nevada to the waters of the Colorado River. The Commission thus does not serve (except in limited capacity) end users of either water or power. In addition, the customers served by the Commission are statutorily, not geographically defined. However, the principal area served by the customers of the Commission is the area encompassed by Clark County, Nevada. This presentation is provided to give some limited demographic information to the reader. For complete information on the demographic makeup of Clark County the reader is directed to the Clark County website at <http://www.co.clark.nv.us/>. Information on water treatment, delivery and purveyor information can be obtained at the Southern Nevada Water Authority website at <http://www.snwa.com/>. Additional demographic information for the State can be obtained from the State of Nevada website at <http://www.nv.gov/>.
2. Information for years subsequent to 2016 is not available.
3. Source: State of Nevada Department of Taxation, Five-year Population projection for Nevada, Clark County.
4. Source: Nevada Department of Employment Training, and Rehabilitation, Clark County. The total labor force was as of September 2021, the most current period on the report.
5. Source: University of Nevada Las Vegas, Center for Business and Economic Research, Economic Data - Las Vegas, Clark County. The unemployment rate was as of September 2021, the most current period on the report.

**Colorado River Commission of Nevada  
Principal Employers – Clark County, Nevada<sup>1, 2</sup>  
Current And Nine Years Ago  
(Unaudited)**

| Taxpayer                                      | 2022 <sup>3</sup>      |                                                     | 2013 <sup>4</sup>      |                                                     |
|-----------------------------------------------|------------------------|-----------------------------------------------------|------------------------|-----------------------------------------------------|
|                                               | Employees <sup>5</sup> | Average Percentage of Total Clark County Employment | Employees <sup>5</sup> | Average Percentage of Total Clark County Employment |
| Clark County School District                  | 40,000                 | 3.82%                                               | 30,000 to 39,999       | 3.92%                                               |
| MGM Resort International                      | 30,000                 | 2.87%                                               |                        |                                                     |
| Caesars Entertainment                         | 21,000                 | 2.01%                                               |                        |                                                     |
| Clark County, Nevada                          | 20,000                 | 1.91%                                               | 8,000 to 8,499         | 0.87%                                               |
| Nellis Air Force Base                         | 15,000                 | 1.43%                                               |                        |                                                     |
| Amazon                                        | 13,500                 | 1.29%                                               |                        |                                                     |
| Wynn Resorts                                  | 10,000                 | 0.96%                                               | 7,500 to 7,999         | 0.87%                                               |
| Las Vegas Sands                               | 8,000                  | 0.76%                                               |                        |                                                     |
| Red Rock Resorts                              | 7,000                  | 0.67%                                               |                        |                                                     |
| Boyd Gaming                                   | 6,000                  | 0.57%                                               |                        |                                                     |
| Bellagio, LLC                                 |                        |                                                     | 7,500 to 7,999         | 0.87%                                               |
| MGM Grand Hotel/Casino                        |                        |                                                     | 7,500 to 7,999         | 0.87%                                               |
| Aria Resort & Casino, LLC                     |                        |                                                     | 7,000 to 7,499         | 0.81%                                               |
| Mandalay Bay Resort and Casino                |                        |                                                     | 6,000 to 6,499         | 0.70%                                               |
| Caesar's Palace                               |                        |                                                     | 5,500 to 5,999         | 0.64%                                               |
| Las Vegas Metropolitan Police                 |                        |                                                     | 5,000 to 5,499         | 0.64%                                               |
| University of Nevada, Las Vegas               |                        |                                                     | 5,000 to 5,499         | 0.59%                                               |
| Total percentage for principal employers      |                        | <u>16.29%</u>                                       |                        | <u>10.78%</u>                                       |
| Total employment in Clark County <sup>6</sup> | <u>1,046,504</u>       |                                                     | <u>892,814</u>         |                                                     |

1. The Commission is primarily a wholesale provider of electric power and only holds in trust the rights of the State of Nevada to the waters of the Colorado River. The Commission thus does not serve (except in limited capacity) end users of either water or power. In addition, the customers served by the Commission are statutorily, not geographically defined. However, the principal area served by the customers of the Commission is the area encompassed by Clark County, Nevada. This presentation is provided to give some limited demographic information to the reader. For complete information on the demographic makeup of Clark County the reader is directed to the Clark County website at <http://www.co.clark.nv.us/>. Information on water treatment, delivery and purveyor information can be obtained at the Southern Nevada Water Authority website at <http://www.snwa.com/>. Additional demographic information for the State can be obtained from the State of Nevada website at <http://www.nv.gov/>.
2. In 2018 Nevada Department of Employment Training and Rehabilitation changed the way top employers are reported by dispersing inter-company employment into single entities; and therefore, the current year data is not comparable to the date presented for nine years ago.
3. Source: Applied analysis. Due to change in methodology, the 2021 data may not be comparable to prior years.
4. Source: Nevada Department of Employment, Training, and Rehabilitation, Clark County.
5. Nevada Law prohibits the publishing of exact employment numbers.
6. Source: Nevada Department of Employment, Training, and Rehabilitation, Clark County. Total employment numbers represent averages for the first quarter of each year shown above.

**Colorado River Commission of Nevada**  
**Employees by Department<sup>1</sup>**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                               | June 30,<br>2013 | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| Department                    |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Executive and Administrative  | 13               | 13               | 13               | 15               | 12               | 13               | 14               | 14              | 13               | 13               |
| Water                         | 3                | 3                | 2                | 1                | 3                | 3                | 3                | 3               | 3                | 3                |
| Hydropower                    | 3                | 3                | 3                | 2                | 3                | 3                | 3                | 3               | 4                | 5                |
| SNWS Energy Services          | 9                | 9                | 8                | 7                | 7                | 8                | 8                | 8               | 7                | 5                |
| Power Delivery O & M          | 6                | 6                | 7                | 7                | 7                | 7                | 7                | 7               | 7                | 8                |
| Total employees by department | <u>34</u>        | <u>34</u>        | <u>33</u>        | <u>32</u>        | <u>32</u>        | <u>34</u>        | <u>35</u>        | <u>35</u>       | <u>34</u>        | <u>34</u>        |

1. Source: The Commission's internal human resources system.

**Colorado River Commission of Nevada**  
**Capital Asset Statistics by Function<sup>1, 2</sup>**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                                                 | June 30,<br>2013 | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June30,<br>2020 | June 30,<br>2021 | June 30,<br>2022 |
|-----------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| Power Delivery Project and Basic Industries System <sup>3</sup> |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| High-Voltage Substations                                        |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Transmission Substations (230-kV to 69-kV)                      | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2               | 2                | 2                |
| Distribution Substations (230-kV to 14.4-kV)                    | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3               | 3                | 3                |
| Distribution Substations (69-kV to 13.8-kV)                     | 6                | 6                | 6                | 6                | 6                | 6                | 6                | 6               | 6                | 6                |
| Distribution Substations (69-kV to 41.6-kV)                     | 6                | 6                | 6                | 6                | 6                | 6                | 6                | 6               | 6                | 6                |
| Total High-Voltage Substations                                  | 17               | 17               | 17               | 17               | 17               | 17               | 17               | 17              | 17               | 17               |
| Miles of Transmission Lines                                     |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| 230-kV overhead lines                                           | 34               | 34               | 34               | 34               | 34               | 34               | 34               | 34              | 34               | 34               |
| 69-kV overhead lines                                            | 5                | 5                | 5                | 5                | 5                | 5                | 5                | 5               | 5                | 5                |
| 69-kV underground transmission lines                            | 15               | 15               | 15               | 15               | 15               | 15               | 15               | 15              | 15               | 15               |
| System Support Information                                      |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Communication Network                                           |                  |                  |                  |                  |                  |                  |                  |                 |                  |                  |
| Miles of fiber optic cable                                      | 58               | 58               | 58               | 58               | 58               | 58               | 58               | 58              | 58               | 58               |
| Microwave radio sites                                           | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3               | 3                | 3                |
| Metered Facilities <sup>4</sup>                                 | 82               | 95               | 107              | 120              | 120              | 120              | 120              | 120             | 120              | 120              |
| Total System Capacity in Megawatts                              | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000           | 1,000            | 1,000            |

1. Source: The Commission's power delivery system.
2. All power related assets are owned and used to deliver power to the Commission's customers only.
3. The Power Delivery System (System) is a dedicated power transmission and delivery system that provides electric power resources to the facilities of the Southern Nevada Water Authority. With a total system capacity of 1,000 megawatts of transformer capacity, the System is the 3rd largest transmission and distribution system within the State of Nevada. The System was designed with 100% redundancy including twin transformers. The System is normally operated at 50% capacity on each of the twin facilities in each substation. In the event of catastrophic failure, the remaining system can fully serve the load while repairs are affected. In addition, the transmission lines are a looped (circular) design allowing for feed to all facilities in either direction in the event of a break somewhere in the loop. This design is provided to ensure reliable delivery of water to the residents of Southern Nevada under almost any circumstances. Power facilities dedicated to the Basic Industries provide power to the industrial complex located in Henderson. The total capacity of the Basic Industries system is 150 Megawatts.
4. In addition to the metered facilities indicated in this table, Commission staff operates and maintains the metered facilities of the Southern Nevada Water Authority.

**Colorado River Commission of Nevada**  
**Operating Indicators – Power Purchases In Megawatt Hours<sup>1, 2</sup>**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                                  | June 30,<br>2013 | June 30,<br>2014 | June 30,<br>2015 | June 30,<br>2016 | June 30,<br>2017 | June 30,<br>2018 | June 30,<br>2019 | June30,<br>2020  | June 30,<br>2021 | June 30,<br>2022 |
|--------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Southern Nevada Water Authority <sup>3</sup>     | 2,486,443        | 2,321,270        | 2,172,526        | 2,177,152        | 2,253,405        | 2,322,323        | 2,311,808        | 2,248,303        | 1,419,572        | 1,481,694        |
| Basic Water Company                              | 29,886           | 31,788           | 32,517           | 27,754           | 26,685           | 19,621           | 16,133           | 29,600           | 23,708           | 29,131           |
| Timet Metals Corporation                         | 343,173          | 401,072          | 400,530          | 382,280          | 349,788          | 203,008          | 180,665          | 335,640          | 54,175           | 55,366           |
| Olin Chlor Alkaline (formerly Pioneer)           | 222,273          | 272,761          | 243,017          | 180,019          | 9,242            | 5,080            | 2,921            | 5,868            | 5,000            | 4,672            |
| LHOIST (formerly Chemical Lime Company)          | 2,496            | 2,516            | 2,650            | 2,904            | 2,964            | 2,773            | 2,636            | 2,789            | 2,715            | 2,867            |
| EMD Acquisitions (formerly Tronox, LLC)          | 114,593          | 119,634          | 128,496          | 121,041          | 108,027          | 104,453          | 103,340          | 92,540           | 86,193           | 105,892          |
| American Pacific Corporation                     | 89,874           | 108,715          | 97,607           | 69,382           | 2                |                  |                  |                  |                  |                  |
| Lincoln County Power District No. 1              | 81,905           | 77,581           | 85,067           | 74,362           | 68,127           | 76,200           | 81,009           | 74,602           | 84,418           | 78,122           |
| Overton Power District #5                        | 90,653           | 94,964           | 87,381           | 90,775           | 89,471           | 83,214           | 84,033           | 83,092           | 130,587          | 107,164          |
| Valley Electric Association                      | 109,780          | 117,806          | 100,105          | 102,225          | 137,139          | 119,611          | 109,553          | 133,694          | 132,363          | 126,390          |
| NV Energy (formerly Nevada Power Company)        | 435,809          | 444,593          | 416,850          | 412,535          | 379,049          | 390,373          | 384,667          | 362,275          | 421,474          | 378,484          |
| City of Boulder City                             | 33,060           | 37,851           | 37,951           | 37,110           | 36,336           | 36,240           | 36,171           | 35,333           | 37,128           | 30,564           |
| Las Vegas Valley Water District                  |                  |                  |                  |                  |                  | 11,680           | 14,923           | 14,075           | 16,152           | 14,726           |
| City of Henderson                                |                  |                  |                  |                  |                  | 7,269            | 9,292            | 8,792            | 10,058           | 9,170            |
| Clark County School District                     |                  |                  |                  |                  |                  | 3,960            | 5,010            | 4,757            | 5,457            | 5,239            |
| Clark County Water Reclamation District          |                  |                  |                  |                  |                  | 3,960            | 8,912            | 8,432            | 9,646            | 8,794            |
| City of Las Vegas                                |                  |                  |                  |                  |                  | 7,464            | 9,542            | 9,028            | 10,328           | 9,416            |
| City of North Las Vegas                          |                  |                  |                  |                  |                  | 2,323            | 2,964            | 2,805            | 3,209            | 2,925            |
| City of Mesquite                                 |                  |                  |                  |                  |                  | 1,305            | 1,690            | 1,590            | 1,813            | 1,643            |
| University of Nevada-Las Vegas                   |                  |                  |                  |                  |                  | 3,692            | 4,671            | 4,435            | 5,088            | 4,884            |
| Small Hoover Schedule "D" customers <sup>4</sup> |                  |                  |                  |                  |                  | 1,039            | 1,314            | 1,248            | 1,429            | 1,380            |
| <b>Total</b>                                     | <b>4,039,945</b> | <b>4,030,551</b> | <b>3,804,697</b> | <b>3,677,539</b> | <b>3,460,235</b> | <b>3,405,588</b> | <b>3,371,254</b> | <b>3,458,898</b> | <b>2,460,513</b> | <b>2,458,523</b> |

1. Source: The Commission's power purchasing group.
2. Includes megawatt hour purchases for loads of all Commission customers. The Commission owns and operates electric transmission and distribution capital assets for the exclusive use of the Southern Nevada Water Authority (SNWA) and the Basic Industries complex in Henderson, Nevada. The Commission's major power deliveries are accomplished using these systems. These total comparisons are anticipated to be indicative of future sales as the Commission's customer base is anticipated to remain relatively stable. It is possible that some additional customers could utilize the Commission for electric power resource, but the remaining probable customers available to the Commission under a legislative mandate must be part of the SNWA customer base and are not anticipated to materially change the reported megawatt usage amounts.
3. SNWA sales include water purveyor related purchases brokered by Commission employees acting on behalf of the Silver State Energy Association through fiscal 2020, as the commission in no longer involved in these sales.
4. Small Hoover Schedule "D" customers include six customers, contracted in fiscal 2018, with megawatt hours under 3,000 and total sales under \$100,000.

**Colorado River Commission of Nevada  
Risk Management<sup>1</sup>  
Last Ten Fiscal Years  
(Unaudited)**

|                                             | June 30,<br>2013    | June 30,<br>2014    | June 30,<br>2015    | June 30,<br>2016    | June 30,<br>2017    | June 30,<br>2018    | June 30,<br>2019    | June30,<br>2020     | June 30,<br>2021    | June 30,<br>2022    |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Basic Water Company                         | \$ 163,009          | \$ 201,006          | \$ 237,115          | \$ 236,944          | \$ 180,079          | \$ 206,701          | \$ 192,164          | \$ 270,984          | \$ 275,212          | \$170,078           |
| Timet Metals Corporation                    | 2,234,054           | 2,293,921           | 3,062,094           | 2,841,318           | 2,133,149           | 2,364,560           | 2,330,005           | 2,693,081           | 2,002,197           | 376,785             |
| Olin Chlor Alkaline (formerly Pioneer LHC ) | 1,755,462           | 2,251,738           | 2,968,251           | 2,260,932           | 115,011             | 98,232              | 83,237              | 77,024              | 67,641              | 50,368              |
| Tronox, LLC                                 | 14,189              | 14,404              | 14,810              | 17,305              | 18,064              | 23,097              | 18,884              | 18,974              | 21,079              | 18,787              |
| EMD Acquisitions                            | 444,940             | 466,570             | 450,793             | 550,515             | 508,162             | 508,630             |                     |                     |                     |                     |
| American Pacific Corporation                | 595,928             | 715,446             | 815,289             | 772,170             |                     |                     | 750,000             | 750,000             | 750,000             | 750,000             |
| <b>Total</b>                                | <b>\$ 5,207,582</b> | <b>\$ 5,943,085</b> | <b>\$ 7,548,352</b> | <b>\$ 6,679,184</b> | <b>\$ 2,954,465</b> | <b>\$ 3,201,220</b> | <b>\$ 3,374,290</b> | <b>\$ 3,810,063</b> | <b>\$ 3,116,129</b> | <b>\$ 1,366,018</b> |

|                                         | Total Collateral<br>Posted | Cash Collateral<br>Posted | Other Colateral<br>Posted | Estimated<br>Collateral<br>Requirement for<br>the Year Ended<br>June 30, 2023 |
|-----------------------------------------|----------------------------|---------------------------|---------------------------|-------------------------------------------------------------------------------|
| Basic Water Company                     | \$ 170,078                 | \$ 170,078                | \$ -                      | \$ 170,078                                                                    |
| Timet Metals Corporation                | 376,785                    | -                         | 376,785                   | 503,396                                                                       |
| Olin Chlor Alkaline (formerly Pioneer)  | 50,368                     | 50,368                    | -                         | 53,789                                                                        |
| LHOIST (formerly Chemical Lime Company) | 18,787                     | 18,787                    | -                         | 21,684                                                                        |
| Tronox, LLC                             | -                          | -                         | -                         | -                                                                             |
| EMD Acquisitions                        | 750,000                    | 750,000                   | -                         | 789,077                                                                       |
| American Pacific Corporation            |                            |                           |                           |                                                                               |
| <b>Total</b>                            | <b>\$ 1,366,018</b>        | <b>\$ 989,233</b>         | <b>\$ 376,785</b>         | <b>\$ 1,538,024</b>                                                           |

1. Nevada Revised Statutes 538.181(2) requires that the Commission's power customers, except a federal or state agency or political subdivision, provide an indemnifying bond or other collateral "in such sum and in such manner as the commission may require, conditioned on the full and faithful performance" of their power contracts. Due to the volatile nature of the electric power markets the Commission has determined the collateral requirements to be one-fourth of the customer's gross annual purchases as calculated from October 1 through
2. September 30 of each preceding year. Posted collateral limits the risk inherent in the Commission's utility functions and protects the state to the full extent allowed under law. All customers have posted cash, letters of credit or performance bonds as approved by the Nevada State Board of Examiners.
3. Governmental and utility entities are exempt from collateral requirements.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM F  
FOR MEETING OF FEBRUARY 14, 2023**

**SUBJECT:**

*For Possible Action:* Consideration and possible action regarding the Governor’s Executive Order 2023-003 (the “Executive Order”), to review executive agency regulations to streamline clarity, reduce, or improve and report to the Governor’s Office on or before May 1, 2023. Delegate authority to Executive Director to hold public hearing required by Executive Order.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

To delegate authority to the Executive Director to review the Commission’s regulations in accordance with the Governor’s Executive Order 2023-003, hold a public hearing for comment regarding such regulations, and respond to the Governor’s Office by May 1, 2023.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

**A. Executive Order**

In January, Governor Lombardo issued Executive Order 2023-003 *Order Freezing the Issuance of New Regulations and Requiring a Review of Existing Regulations by All Executive Branch Agencies, Departments, Boards and Commissions*. The Executive Order requires the Commission to;

- “Undertake a comprehensive review of the regulations subject to its enforcement.”
- “On or before May 1, 2023, each department, agency, board and commission shall provide a report to the Governor’s office detailing how the regulation subject to its enforcement can be streamlined, clarified, reduced or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth.”
- The Commission, “...shall provide a list of not less than ten (10) regulations recommended for removal.”

The Executive Order does allow for some exceptions to the requirement for the preference for reduced regulation that is outlined in Section 5 of the Executive Order. The exceptions include regulations that affect public health, public safety and security, regulations that affect the powers, functions, and duties essential to operation of the Commission.

**B. History and Recommendation:**

The Commission completed a rulemaking in June of 2018 and repealed 11 regulations and modified eight regulations. Thus, there may be a case to be made the Commission was ahead of the curve on reducing regulations. However, there may be some other regulations that can be



**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM F  
FOR MEETING OF FEBRUARY 14, 2023**

repealed to meet the Governor's request while maintaining other regulations would fit under the exceptions outlined in the Executive Order.

Staff recommends that the Commission allow the Executive Director to notice and preside over the public hearing to solicit comments consistent with the Executive Order regarding input on the Commission's regulations and prepare a report to send to the Governor's office on or before May 1, 2023, consistent with the Executive Order. At this time, an April Commission meeting is being planned and the Executive Director expects to report to the Commission in April the results of the review of the regulations.



## EXECUTIVE ORDER 2023-003

### **Order Freezing the Issuance of New Regulations and Requiring a Review of Existing Regulations by All Executive Branch Agencies, Departments, Boards and Commissions**

**WHEREAS**, state regulations should protect workers, consumers and the environment, while promoting entrepreneurship and economic growth; and

**WHEREAS**, state regulations can become outdated, result in unintended consequences, create conflicts or impose an unnecessary burden on citizens, businesses or government entities; and

**WHEREAS**, it is in the best interest of the state of Nevada that its regulatory environment be concise, transparent, stable, balanced, predictable and thoughtfully constructed; and

**WHEREAS**, Nevada's current regulatory structure is too often unfocused and inefficient, contains regulations that are obsolete and includes regulations that are unnecessarily onerous, thereby limiting the economic potential of the State; and

**WHEREAS**, Article 5, Section 1 of the Nevada Constitution provides that, "The Supreme Executive Power of this State shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada;

**NOW, THEREFORE**, by the authority vested in me as Governor by the Constitution and laws of the State of Nevada, it is hereby ordered as follows:

## **SECTION 1**

Every executive branch department, agency, board and commission shall undertake a comprehensive review of the regulations subject to its enforcement. On or before, May 1, 2023 each department, agency, board and commission shall provide a report to the Governor's office detailing how the regulation subject to its enforcement can be streamlined, clarified, reduced or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth.

## **SECTION 2:**

As part of its report, every executive branch department, agency, board and commission shall provide a list of not less than ten (10) regulations recommended for removal, ranking them in descending order of priority.

## **SECTION 3:**

Prior to submitting their respective reports, every executive branch department, agency, board and commission shall hold a public hearing, after having provided reasonable notice consistent with Chapter 233B of the Nevada Revised Statutes, to key industry stakeholders, to: (i) vet their recommended changes; (ii) solicit input as to the merits of those changes and (iii) identify other regulatory changes stakeholders feel are worthy of consideration. Stakeholder input shall be reflected in the summary of findings and recommendations included in each submitted report.

## **SECTION 4:**

Unless specifically exempt from this Executive Order as set forth in Section 5, no new regulations shall be proposed, approved or acted on by any executive branch agency, department, board or commission until such time as this Executive Order is rescinded.

## **SECTION 5:**

The following regulations are not subject to the suspension set forth in Section 4:

- (a) Regulations that affect public health;
- (b) Regulations that affect public safety and security;
- (c) Regulations that are necessary in the pursuit of federal funds and certifications;
- (d) Regulations that affect the application of powers, functions and duties essential to the operation of the executive branch agency, department, board or commission at issue;
- (e) Regulations that affect pending judicial deadlines; and
- (f) Regulations necessary to comply with federal law.

Until the suspension of this Executive Order, each executive branch department, agency,

board and commission that intends to continue with the enactment of a proposed regulation under an exception to the freeze set forth in Section 4 shall submit a report to the Governor's office identifying which exemption the proposed regulation falls within and detailing the problem the regulation addresses or the value to the public of the regulation, how the regulation addresses the problem or the benefits provided by the regulation, why alternate forms of regulation are insufficient to address the problem and whether other regulations currently address the problem.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 12th day of January, in the year two thousand twenty-three.

Governor

Secretary of State

Deputy



**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM G  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><i>For Information Only:</i> Status update on 2023 Legislative Session and related budget matters submitted for approval for Fiscal Years 2024 and 2025. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                     |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                       |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                              |

**STAFF COMMENTS AND BACKGROUND:**

Staff will provide an update at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM H  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><i>For Information Only:</i> Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                           |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                             |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                                    |

**STAFF COMMENTS AND BACKGROUND:**

Staff will provide an update at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM I  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br><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. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                                                                                                                                                                                                       |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                                                                                                                                                                                                         |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                                                                                                                                                                                                                |

**STAFF COMMENTS AND BACKGROUND:**

Staff will provide an update at the meeting.



**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM J  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b><br>Comments from the public. Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                                                                                                                                                                                                                                                                         |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                                                                                                                                                                                                                                                                           |
| <b>FISCAL IMPACT:</b><br>None.                                                                                                                                                                                                                                                                                                  |

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM K  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                        |
|------------------------------------------------------------------------|
| <b>SUBJECT:</b><br>Comments and questions from the Commission members. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                                |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.                  |
| <b>FISCAL IMPACT:</b><br>None.                                         |

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM L  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                                 |
|-----------------------------------------------------------------|
| <b>SUBJECT:</b><br>Selection of the next possible meeting date. |
| <b>RELATED TO AGENDA ITEM:</b><br>None.                         |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None.           |
| <b>FISCAL IMPACT:</b><br>None.                                  |

**STAFF COMMENTS AND BACKGROUND:**

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, March 14, 2023, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada 89155.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM M  
FOR MEETING OF FEBRUARY 14, 2023**

|                                                       |
|-------------------------------------------------------|
| <b>SUBJECT:</b><br>Adjournment.                       |
| <b>RELATED TO AGENDA ITEM:</b><br>None.               |
| <b>RECOMMENDATION OR RECOMMENDED MOTION:</b><br>None. |
| <b>FISCAL IMPACT:</b><br>None.                        |

**STAFF COMMENTS AND BACKGROUND:**