

The meeting was held at 1:00 p.m. on Tuesday, May 13, 2014 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

**COMMISSIONERS IN ATTENDANCE**

Chairman  
Vice Chairman  
Commissioner  
Commissioner  
Commissioner  
Commissioner  
Commissioner

George F. Ogilvie III  
Berlyn D. Miller  
Bob Coffin  
J. Brin Gibson  
Duncan R. McCoy  
Puoy K. Premrirut  
Steve Sisolak

**DEPUTY ATTORNEYS GENERAL**

Special Counsel, Attorney General  
Special Counsel, Attorney General

Jennifer T. Crandell  
Ann C. Pongracz

**COMMISSION STAFF IN ATTENDANCE**

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

Jayne Harkins, P.E.  
James D. Salo  
Douglas N. Beatty  
Robert D. Reese  
Craig N. Pyper  
Jason Thiriot  
Warren Turkett  
Gail L. Benton  
Richard M. Sanders  
Kalora E. Snyder  
Judy K. Atwood  
Carol L. Perone  
Gina L. Goodman

**OTHERS PRESENT; REPRESENTING**

Better Waters  
Consultant  
JNA Consulting Group  
Overton Power District No. 5  
Southern Nevada Water Authority  
Swendseid & Stern

Nicholas Constant  
Sara A. Price, Esq.  
Marty Johnson  
Mendis Cooper  
Jordan Bunker  
David Lucas

**COLORADO RIVER COMMISSION  
OF NEVADA  
MEETING OF MAY 13, 2014**

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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:03 p.m. followed by the pledge of allegiance.

**A. Conformance to Open Meeting Law.**

Executive Director Jayne Harkins confirmed that the meeting was in compliance with the Open Meeting Law.

**B. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)**

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

**C. For Possible Action: Approval of minutes of the April 8, 2014 meeting.**

Commissioner McCoy moved for approval of the minutes. The motion was seconded by Vice Chairman Miller and approved by a unanimous vote of those present. Commissioner Premsrirut was not present for the vote.

**D. For Possible Action: Consideration of and possible adoption of a resolution designated the “State of Nevada, Colorado River Commission of Nevada, Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Refunding Bonds Series 2014E, 5-13-14 Bond Resolution”; authorizing the sale and issuance of the State of Nevada, Colorado River Commission of Nevada, Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Refunding Bonds, Series 2014E; providing the purpose for which the bonds are being issued; the form, terms and conditions of such bonds; the manner and terms of their issuance and execution; the method of their payment; the security therefore; the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; the pledge of revenues for the payment thereof; and other related matters.**

Douglas Beatty, Chief of Finance and Administration, provided a summary of the State of Nevada, Colorado River Commission of Nevada Taxable General Obligation Refunding Bond Series 2014E, 5-13-14 Bond Resolution.

This is the last phase of prepaying the Hoover Visitor Center and Air Slots debt which will replace the Commission’s earlier short-term bond issue with long-term bond debt. The short-term bond issuance closed on March 12, 2014 and monies were wired to the United States Bureau of Reclamation in payment of Nevada’s share of the debt. The monies were from the Colorado River Commission Bonds Series 2014A and the debt on those bonds mature in less than one year from issuance. The bond issue under consideration today will refund the 2014A Bonds and the resulting debt will be a long-term obligation payable as part of the cost of Hoover power through 2043. The issuance

of the long-term debt will fix all costs and establish final savings on the transaction, and remove any remaining market and rate exposure.

Commissioner Sisolak asked how far out the bonds are being extended and if it is a refunding of the maturity of the first group of bonds.

Mr. Beatty said the bond are being extended for thirty years. The first group of bonds matured in less than a year. The original debt on the Air Slots was about thirty years. The bond is shorting up the debt a little.

Commissioner Sisolak asked how long the original debt was extended out by changing the bonds to extend until 2043.

Mr. Beatty stated that the original debt was longer than thirty years and that this refinancing of the bonds shortens up the date by a few years.

Commissioner Sisolak asked how long the original debt payback was scheduled for.

Mr. Beatty stated that the original debt through the Bureau of Reclamation was for fifty years. The original debt started in 1995 and was for fifty years maturing in 2045. The new bonds mature in 2043.

Commissioner Coffin asked if the Air Slots bonds are a result of the damage from the overflow in the by-pass tunnels.

Mr. Beatty stated yes. He further stated that the original debt was a loan from the federal government, and not bonds. The Air Slot debt was at a higher rate than the Visitors Center debt. The original interest was about 9%.

Commissioner Coffin asked if that is why the savings is so much higher.

Mr. Beatty said yes, that is why the savings is almost 50%.

Commissioner McCoy thanked Staff for all the hard work that benefits the customers through the wholesale rate payers that will take the pressure off the rate payers in the future.

Mr. Beatty said that the biggest share of the work was performed by Ann Pongracz and Craig Pyper. The bond resolution would not have been accomplished if Staff did not do the work necessary for the Commission to enter into the bond repayment contracts with the customers, because the power service agreement ends in 2017. It took a lot of work to pull all the contracts together. It is a reflection of the savings and the benefit to the customer that enabled the customers to enter into the agreements. The customers recognized the huge savings potential. Staff appreciates the customers and all the work that went into the contracts.

**Commissioner McCoy moved for approval of the adoption of a resolution designated the “State of Nevada, Colorado River Commission of Nevada, Taxable General Obligation (Limited Tax) (Subordinate Revenue Supported) Refunding Bonds Series 2014E, 5-13-14 Bond Resolution”. The motion was seconded by Commissioner Premsrirut and approved by a unanimous vote.**

**E. *For Possible Action:* Consideration of and possible action to approve an Amendment No. 2 to Contract for Services of Independent Contractor among Fennemore Craig, P.C., the Office of the Attorney General, and the Colorado River Commission of Nevada for legal services.**

Jennifer T. Crandell, Special Counsel, Attorney General, gave a summary of the Second Amendment to Contract for Services of Independent Contractor, among Fennemore Craig, P.C., the Office of the Attorney General, and the Colorado River Commission of Nevada (Commission) for legal services.

The Commission is presently engaged in litigation with The Navajo Nation as to their claims to main stem Lower Basin Colorado River water. The pending lawsuit, which was initiated in 2003, challenges current Colorado River operations, including the Guidelines, Federal banking regulations (which permit us to bank our water in Arizona and California) and potentially the agreements and associated river operations relating to Minute 319 with Mexico. In addition, this significant litigation threatens the stability of the Law of the River that the Seven Basin States rely on, and may ultimately result in a water adjudication in the Arizona Federal District Court or the United States Supreme Court. Mr. Caster has undertaken representation of the Sovereign State of Nevada, and with the Attorney General’s consent, is serving as a Special Deputy Attorney General. He also represents the Commission and the Southern Nevada Water Authority (SNWA).

On March 12, 2013, the Commission approved a contract between the Commission and Fennemore Craig, P.C., primary attorney Lauren Caster, Esq., to engage his services to provide legal representation in *The Navajo Nation v. U.S.*, CV-03-00507 PCT PGR, in the United States District Court, For the District of Arizona, and related matters. Prior to contract approval by the Board of Examiners, the Attorney General met with the Commission’s Executive Director and Senior Deputy Attorney General Jennifer Crandell, and requested that she be made a party to the contract, and that Mr. Caster’s appointment as a special deputy attorney general be specifically written into the contract. The Amendment to the Contract reflects these changes. The Board of Examiners approved the Amendment to the Contract on June 11, 2013.

The original contract with Fennemore Craig, P.C. had a two-year term, although the contract covered months in fiscal years 2013, 2014 and 2015. The contract had a not-to-exceed amount of \$300,000. The First Amendment to the original contract was approved January 14, 2014, which completed funding on the contract through fiscal year 2014. That amendment changed the contract amount for fiscal years 2013 and 2014 to \$239,000, and reflected approximately \$24,000 billed in fiscal year 2013, \$150,000 billed in fiscal year 2014, and approved additional funds of \$65,000 for legal fees and costs to

cover the remaining legal work on the Motion to Dismiss and oral argument, only, through fiscal year 2014 (June 30, 2014).

The \$65,000 increase in funding to the first amendment was due to the fact that the majority of the work anticipated under the contract occurred shortly after the beginning of the first full fiscal year (July 2013-14). This work included serving as coordinating counsel for the Defendant Interveners with the Department of Justice, coordinating defense strategy among the numerous Defendant Interveners, and the research and preparation of a potentially dispositive motion for *The Navajo Nation v. United States Department of Interior, et. al.*, Case No. CV-03-00507-PCT-GMS.

Currently, the Defendant and Defendant Interveners have filed various Motions to Dismiss the case, which are pending before the Court. Funding specifically authorized in the first amendment to the contract will provide for oral argument.

The Commission staff is recommending continuing legal representation by Fennemore Craig, P.C. in this significant on-going litigation through fiscal year 2015. This second amendment to the contract provides funding for legal fees and disbursements for fiscal year 2015, in the amount of \$20,000, to cover litigation costs until such time as the District Court rules on pending dispositive motions. Work under this amendment includes monitoring the case, legal research to support supplemental authority filings, coordinating with co-defendants, reviewing the Court's decision, making initial strategy recommendations, and preparing any initial filing that may be required to move the case forward.

If the potentially dispositive motions currently on file with the Court are unsuccessful, the case will then proceed to a second round of motions which may include extensive examination of the administrative record for federal actions over the last 15 years, extensive research and discovery. If the dispositive motions are successful, an appeal to the 9<sup>th</sup> Circuit Court of Appeals is likely. Staff will develop a proposed budget and third amendment to the contract once the court has ruled on the pending motions, when the scope of future work can be determined.

Chairman Ogilvie stated for clarification that there is no change to the not-to-exceed \$239,000 through this fiscal year.

Ms. Crandell stated that is correct.

Chairman Ogilvie stated that the amount of \$20,000 is bridge funding to cover any work that may commence July 1, 2014 until a decision on the Motions to Dismiss. After there is a ruling on the Motions to Dismiss, Mr. Caster's firm will provide the Commission with a budget for legal work going forward, based on the court ruling.

Ms. Crandell stated that is correct.

Commissioner Sisolak clarified that the last contract amendment was at the \$239,000 for the Motion to Dismiss.

Ms. Crandell stated yes and no additional work has been done since the Motion to Dismiss was filed.

Commissioner Sisolak expressed concern based on prior experience that lawyers tend to bill right up to the contracted amount. He also asked if this is the last amount of money needed up until the judge's decision.

Ms. Crandell stated that is correct. It may not be until the fall that the judge makes his decision.

Chairman Ogilvie stated the Commission needs some funding that would commence on July 1, 2014. Rather than have Mr. Caster's firm present a four pronged decision tree of budgets, this is the simplest and most efficient way to cover whatever work would be required until a decision is issued by the Court.

Commissioner Sisolak stated that after reviewing the copies of the firm's billing, there is a lot of monitor, read, research that is difficult to quantify in laymen terms.

Commissioner Premsrirut stated for the record that as a litigator it is almost like playing tennis, you do not know how to hit the ball on this side of the net until someone hits it to you, and that she can understand the need to get additional funds approved, to the extent that the Commission can limit and can get a projection as to how much more monitoring Mr. Caster would need to perform, that would be helpful.

**Vice Chairman Miller moved for approval of Amendment No. 2 to Contract for Services of Independent Contractor among Fennemore Craig, P.C., the Office of the Attorney General, and the Colorado River Commission of Nevada for legal services. The motion was seconded by Commissioner Gibson and approved by a unanimous vote.**

**E. *For Possible Action:* Consideration of and possible action to approve the Agreement for the Adjustment of Utility Facilities for the I-11 Boulder City Bypass Design-Build Project – Phase 2 between the Regional Transportation Commission of Southern Nevada and the Colorado River Commission of Nevada.**

Robert D. Reese, Assistant Director of Engineering and Operations, provided a summary of the Agreement for the Adjustment of Utility Facilities for the I-11 Boulder City Bypass Design-Build Project–Phase 2, between the Regional Transportation Commission of Southern Nevada and the Commission.

The Nevada Department of Transportation has initiated a highway improvement project identified as the Boulder City Bypass Project-Phase 1 on State Highway 93/95 in the Railroad Pass area. Phase 2 of this project, which is being administered by the Regional



Transportation Commission of Southern Nevada (RTCSN), is in the Hacienda Casino area east of the City of Boulder City. Phase 2 requires certain adjustments, removals and replacements of the existing transmission facilities owned by the Commission, in advance of the RTCSN's construction of the I-11 Boulder City Bypass Design-Build Project-Phase 2; specifically, the Commission is to adjust and/or relocate the overhead Electrical Mead-Eastside/Equestrian #2 Transmission Line between existing structure 6/3 and existing structure 7/3, remove existing facilities within these limits, and replace these facilities outside these limits within a new right-of-way provided by the RTCSN. The relocation project has required preparation of transmission line design modifications and construction documents.

Prior to developing the Agreement proposed for Commission approval today, Staff provided to the RTCSN an estimate of the costs that would be required for the construction and administrative engineering support for the relocation project. The RTCSN and Staff then negotiated a written agreement for reimbursement of those costs, which is attached and proposed for approval by the Commission.

Chairman Ogilvie asked if the agreement is with RTCSN, who is ultimately funding this work.

Mr. Reese stated that there are federal funds in the project and believes that the revenue source is from the gas tax.

Commissioner Sisolak stated that it is called the incremental fuel tax.

Chairman Ogilvie asked how the amount of \$5,995,000 was arrived at.

Mr. Reese stated that the original estimate was \$5,400,000, and when the contingency amount was added the final amount came to the \$5,995,000. The estimate was based upon an engineering estimate that took into account the constructability issues that will be encountered in this canyon, possible helicopter work to relocate some of the towers, the condition of existing roadways, and the cost of steel from different vendors. All of these factors were considered in arriving at the final budget amount.

Chairman Ogilvie asked what is next after this agreement is approved.

Mr. Reese said that once the agreement is approved by the Commission, the RTCSN board will meet and consider the agreement. Upon approval by the RTCSN, Staff will issue a Request for Proposal (RFP) for materials sometime in June. Staff will start expending funds to start the work in mid-July.

Chairman Ogilvie asked what the scheduled time for construction is.

Mr. Reese stated that Staff hopes to have a contractor selected by August and to receive the materials in mid-August, so construction can begin at that time. With the current design it should be possible to complete most of the work without impacting the

customers by taking them off-line. The completion of project is expected to occur in the first part of February 2015.

Commissioner Sisolak asked what engineering firm designed the project and where are they based.

Mr. Reese replied Burns and McDonnell Engineering Company, Inc. (Burns and McDonnell) and they are from Kansas.

Commissioner Sisolak stated that we are taking local fuel tax money and it is going to a Kansas engineering firm.

Mr. Reese stated that an RFP was issued for the engineering services and posted locally, as well as at other locations. Burns and McDonnell was the successful bidder in the RFP process.

Commissioner Sisolak stated engineering services and professional services do not require RFP bids.

Mr. Reese said that an RFP was done in this case even though it may not have been required, so the Commission would have an engineer available to provide services to the Commission when projects come up, instead of having to go out for new engineers for every project. Mr. Reese also noted that there is a difference between capital work and modifications to the existing system.

Commissioner Sisolak asked what was Burns and McDonnell's estimate for the design work, what was the amount charged to the Commission.

Mr. Reese stated that the Burns and McDonnell estimate for the design work was \$200,000. He also stated that the construction portion of the work will be placed out for bid to create the opportunity for every qualified contractor to bid on the project.

Commissioner Sisolak asked who did the estimate for the project, and was it done in-house.

Mr. Reese said the estimate was done in-house with the design engineering firm.

Commissioner Sisolak asked what inflation factor was added on to the materials.

Mr. Reese stated that there is an inflation factor that was used, that reflected the project estimate, in-house estimate and past practices. All were considered to come up with the engineering estimate.

Commissioner Sisolak requested a copy of the estimate that Burns and McDonnell provided.

Mr. Reese stated that he would get a copy for the Commissioner.

Commissioner Sisolak asked if Staff is coming back to the Commission to award the contracts since there is an expedited schedule of soliciting the bids, researching the bids and awarding the bids.

Mr. Reese stated yes, the awarding of the construction contract is projected to be considered by the Commission in July or August, 2014.

Commissioner Sisolak stated that the issue is that local money is being used with an out-of-state contractor; and the not-to-exceed amount is being advertised to the potential contractors that are bidding on the contract. If the costs go over the not-to-exceed amount, can Staff go back to the RTCSN board to request more funds? There is no guarantee that there will be more money available, and what happens if the project is three quarters of the way done and there is no additional money.

Mr. Reese answered that there are factors that go into the estimate when engineering design work is done, to identify a realistic amount for construction of this type of project without needing to go back to the boards for more funds. However, there is no guarantee that the work will be completed within the current budget. The RTCSN and Staff recognize that stopping work, so that there would be transmission facilities to nowhere, would not benefit anyone because the lines would still have to be relocated to accommodate the highway construction. That is why the agreement provides the opportunity to return to the RTCSN for additional funding if necessary.

Mr. Reese also pointed out that the construction methodology that will be utilized for this project allows for most of the work to be accomplished with little impact to the customers. The new phase of the transmission line will be built while the current line remains in service. Once construction is complete, the line will be switched over and the previous overhead lines and existing structures will be demolished.

Commissioner Sisolak stated that he understands that this is the better way to go, but he has never dealt with a contract where the not-to-exceed amount was provided up front. Contractors do not do project work without going right up to the amount in the contract. If not, there are change-orders that impact the budgeted amount.

Mr. Reese stated that Commissioner Sisolak is correct and that was the biggest concern. He pointed out that this agreement addresses a different situation from most of the agreements Staff proposes to the Commission. In the past, Staff typically is soliciting work. But in this instance, the RTCSN is soliciting the Commission to perform certain work. In a competitive bid process, a specified amount would not be given during the bid process before the contractor is selected. But in this case, since it is the Commission that would be performing the work, and since both the Commission and the RTCSN are public bodies, there was no way to not show the contract amount before getting approval.

Chairman Sisolak asked where Burns and McDonnell is located in Kansas.

Mr. Reese stated that Burns and McDonnell is located in Kansas City, and that Burns and McDonnell were involved in the design of the Commission's existing power delivery system.

Commissioner Sisolak stated that he will abstain from the vote because he was under the impression that the fuel tax was meant to be used by local contractors for local work.

Mr. Reese stated that he agrees with Commissioner Sisolak, that local contractors should be used, and hopes that PAR Electrical Contractors, Inc. will be the successful bidder for the construction contract phase of the work that is to come. However, under a State agency RFP, contracts are awarded based on the competitiveness of the bids. The State RFP process allows for a 5% preference for local contractors that bid to keep them competitive since the business is paying taxes to the State of Nevada. Staff does try to solicit local businesses and notifies local businesses of current RFPs to try to hire locally.

Commissioner Sisolak asked if the professional services contract was bid on by any local firms.

Mr. Reese stated that the RFP notification was listed by the State of Nevada's State Purchasing Division for four weeks which would enable local firms to bid, but no local firms responded to the RFP. Due diligence was done to promote hiring locally.

Commissioner Premsrirut asked what agreement the Commission was being asked to approve, given the fact that the agreement between the Commission and Burns and McDonnell for the design-build phase was previously approved and accepted.

Mr. Reese stated that this is a two part process. The first phase is preliminary design, and the Commission did previously approve a contract with Burns and McDonnell for the preliminary design engineering work. After the Commission approved that contract, Burns and McDonnell surveyed the area to see what the options are to move the existing structures to get out of the corridor of the roadway. Burns and McDonnell's task under that contract was to design the relocation portion of the line to accommodate the construction methodology, and to minimize the impact of relocation work on the Commission's customers.

Commissioner Gibson stated, just to be clear, this is not a design-build contract; this is engineering separate from construction.

Mr. Reese stated that is correct. The agreement currently before the Commission puts the structure in place for Staff to solicit electrical contractors to do the work required to relocate the facilities for the RTCSN, and to purchase the materials needed for this work.

Commissioner Sisolak asked if this agreement is going to end up with the construction phase, this is not for design.

Mr. Reese agreed that the current contract before the Commission is for the next phase, that is, for construction. Approval of the pending agreement will allow Staff the funds and mechanism to solicit electrical contractors to physically relocate the existing structures.

Commissioner Sisolak asked if this agreement should be considered as a Memorandum of Understanding (MOU) with RTCSN.

Mr. Reese answered somewhat, it puts a mechanism in place for Staff to interact with RTCSN and guarantee funds.

Chairman Ogilvie restated Commissioner Sisolak's question, is not this more of a Memorandum of Understanding for the funding mechanism.

Ms. Pongracz attempted to clarify what the difference would be between an MOU and an agreement between the RTCSN and the Commission. Ms. Pongracz stated that it is her understanding, and consistent with discussions with the attorney for RTCSN, that the RTCSN has stepped into the shoes of Nevada Department of Transportation (NDOT). In the past, the Commission did a two phase contract with NDOT: phase one, design, phase two, construction. In this situation, phase one, engineering has been completed, and we are now involved with phase two, construction. RTCSN asked to enter into an agreement under which the Commission would take on the obligation to manage the construction of these facilities.

Commissioner Sisolak asked who ultimately is the backstop if five years down the road there is a problem with this construction project, is it the RTCSN or the construction company that Staff is going to hire.

Ms. Pongracz stated both parties to this agreement are self-insuring. Because both are public agencies, both are self-insuring and both have taken on equivalent insurance obligations.

Commissioner Sisolak stated RTCSN needs the lines moved, Staff is doing this for RTCSN. The benefit goes to RTCSN, the work that is being designed and moved, and five years down the line there is a problem.

Ms. Pongracz stated that it is a mutual indemnification, each party to this agreement, as a public agency, is saying that it will take on responsibility for the work that is performed.

Commissioner Sisolak asked why should the Commission assume any liability when the Commission has no upside. The contractor is gone, filed bankruptcy, or whatever, the Commission is assuming the potential liability five or ten years from now, whenever that might be. Give me a reason that benefits the Commission, what do we get, other than to assume the liability and take them out of first position, now it is the Commission.

Chairman Ogilvie stated that he did not understand Commissioner Sisolak's question.

Commissioner Sisolak stated if Staff builds the new structures, and there is a problem five or ten years down the road after construction. The construction company falls out of place now, so it is not the RTCSN's problem, who received the benefit of moving it, it becomes the Commission's problem.

Ms. Pongracz stated let us walk through how extensive the problem could be.

Commissioner Sisolak stated that since he is not engineer, he knows that he has learned to expect the total unexpected. If something happens, there is an asbestos problem, or there is a desert tortoise mitigation problem, or there is something along those lines, it could be a problem. In the past with dealing with Duke Energy on the wind turbines at Searchlight, it ended up being a total mess.

Ms. Pongracz directed the Commission to read section 4B of the agreement, under which both the parties, the Commission and the RTCSN assert their chapter 41 liability limitations. There is no possibility for punitive damages and actual damages for any alleged breach are limited to the amount of funds that are funded under the agreement. Certainly problems can happen, and Staff has discussed it with RTCSN but there is a ceiling on the exposure.

Commissioner Sisolak asked how much is the ceiling.

Ms. Pongracz stated the amount of the contract.

Commissioner Sisolak stated \$6,000,000.

Ms. Pongracz answered yes.

Commissioner Sisolak stated that is a big ceiling.

Ms. Pongracz stated that the agreement provides for insurance at that level in the contract. There were negotiations to get to this point where RTCSN and the Commission are in a position of having \$6,000,000 in total coverage.

Mr. Reese stated that when a construction project like this is completed, there will be warranties associated with the product, and warranties with the contractor. There is no guarantee that the contractor that does the work stays in business, you hope that you get qualified individuals to do the job. When doing a competitive bid, Staff writes the specification and standards to find the most qualified contractor, to ensure that the work is done by qualified, competent contractors that do this type of work.

Commissioner Sisolak stated that he can appreciate the hope that in an ideal world that would be the case, but he can show past issues such as in Laughlin where a contractor went south on a project by filing bankruptcy and in the end the County ended up losing money. It can happen and that is a relatively small project, where there will not be a lot

of contractors bidding for this contract. He is worried about some kind of potential exposure to the Commission, and hope that the agreement would have been worded so that RTCSN would have accepted all of the exposure, there is no reason why the Commission should accept any. We are being good neighbors and I don't know why the Commission would be good neighbors and say if there is a problem in five years, we are such a good neighbor we will pay for it.

Commissioner Coffin stated that RTCSN is not the only County agency benefiting from the Boulder City Bypass Project.

Commission Sisolak stated that they are giving the Commission the \$6,000,000.

Commissioner Coffin stated that the agencies need to share in the agreement. The County will be paying part of it in its regular fund, and the RTCSN will be, and the Commission will all share in the agreement. The risk is not out of sight, but with enough public bodies, there is enough to absorb the loss. Should there be this loss, this is speculative at best.

**Commissioner Coffin moved for approval of the Agreement for the Adjustment of Utility Facilities for the I-11 Boulder City Bypass Design-Build Project – Phase 2 between the Regional Transportation Commission of Southern Nevada and the Colorado River Commission of Nevada. The motion was seconded by Vice Chairman Miller; and approved by Chairman Ogilvie, Vice Chairman Miller, Commissioners Gibson, Premsrurit, McCoy and Coffin. Commissioner Sisolak abstained.**

**G. For Information Only: Status update on Staff's development of proposed changes to Chapter 538 of the Nevada Administrative Code, to implement the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress, and otherwise update the Colorado River Commission of Nevada's regulations.**

Craig N. Pyper, Hydropower Program Manager, gave a summary on current efforts.

Staff continues to work on the development of proposed changes to the Commission's regulations in order to conform to the new law passed by Congress, the Hoover Power Allocation Act of 2011. Staff worked with the Legislative Counsel Bureau (LCB) in reviewing the proposed changes to Chapter 538 of the Nevada Administrative Code, as well as getting input on the process and how to proceed. Staff submitted the proposed regulations to the LCB and received comments regarding the proposed changes.

On April 21, 2014, a workshop was held to present the Commission's proposed changes for public comment. There were two individuals who commented specifically on the proposed regulation changes. An opportunity was also provided for written comments to be submitted at the workshop. There were a total of eight individuals who submitted written comments.

Staff made some recommendations and also proposed changes based on the comments. The revised proposed regulations are being posted.

A matrix is also being composed to show each of the individual questions or comments from the respondents; and how Staff responded to the questions and comments. Staff hopes to publish the matrix sometime later this week.

The next steps are for the Commission to conduct a public hearing and consider adoption of the proposed revised regulations at the next Commission meeting.

Chairman Ogilvie asked to clarify if there were eight individual comments received, and then Staff made some revisions to the language based on those comments.

Mr. Pyper replied yes, that is correct.

Chairman Ogilvie asked if Staff received any supplemental comments to the updated language.

Mr. Pyper stated that he is not aware of any additional comments since the revisions. Staff did meet with several of the commenters to clarify the comments. In some cases the proposed language that was suggested was used. The work product has had a lot of overview from the Commission's current customers, potential new customers, and other agencies. Staff worked with the Public Utilities Commission of Nevada (PUC-N) because of the effects that may occur with their regulations as well.

Commissioner Gibson asked to see a copy of the full comments submitted in its entirety in addition to the matrix and how Staff responded to the comments.

Mr. Pyper replied that the comments have been posted and Staff will provide a copy to the Commission.

Commissioner Gibson asked what about the distillation of the comments, is that different from the matrix.

Mr. Pyper stated that the matrix incorporates the comments on the same thing. Staff analyzed them and incorporated them and made one response.

**H. *For Information Only: Status update on the hydrologic conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.***

Natural Resource Group Analyst, Warren Turkett, provided a report on the following:

- Unregulated Inflow into Lake Powell
- Powell Unregulated Inflow



- Lake Powell Unregulated Inflow
- Storage Conditions
- Reservoir Storage as of May 8, 2014
- Lake Powell End of Month Elevations Based on April 2014, 24-month Study
- Lake Mead End of Month Elevation Projections
- U.S. West Drought Monitor
- U.S. Seasonal Drought Outlook
- Precipitation – Colorado River Basin as of May 12, 2014
- Colorado Basin River Forecast Center
- Snow Conditions
- Monthly Precipitation for April 2014
- Seasonal Precipitation, October 2013 – April 2014
- Monthly Precipitation, Las Vegas, NV as of April 30, 2014
- Cumulative Precipitation, Las Vegas, NV as of April 30, 2014
- Clark County Regional Flood Control District Rain Gages
- Water Use in Southern Nevada
- Water Use Comparison

Commissioner Gibson stated the Lower Basin States have storage agreements for putting water into Lake Mead and taking it out when there is drought. He would like to understand going forward what percentage of what amount of water is subject to those calls so that future drops in lake levels can be anticipated. Could Staff provide that information?

Ms. Harkins replied that Staff can provide that information. There is Intentionally Created Surplus right now that cannot be taken when there is a shortage declared by the Secretary. There are some entities like SNWA who can take their tributary conservation water, but Staff can get the data to show which can and which cannot. Some of the negotiations going on now are with entities who would like to take more than during shortage to provide more flexibility, but Staff can get the data to the Commission.

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

**I. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)**

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

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

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

**K. Selection of the next possible meeting date.**

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, June 10, 2014, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

**L. Adjournment.**

The meeting adjourned at 2:08 p.m.

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Jayne Harkins, P.E., Executive Director

APPROVED:

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George F. Ogilvie III, Chairman