

The Colorado River Commission of Nevada (Commission) meeting was held at 1:30 p.m. on Tuesday, February 11, 2020 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Vice Chairwoman
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

Puoy K. Premsrirut
Kara J. Kelley
Marilyn Kirkpatrick
Dan H. Stewart
Cody T. Winterton
James B. Gibson
Allen J. Puliz

DEPUTY ATTORNEY GENERAL

Special Counsel, Attorney General

Christine Guerici

COMMISSION STAFF IN ATTENDANCE

Executive Director
Chief of Finance and Administration
Assistant Director, Hydropower
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Senior Energy Accountant
Senior Energy Accountant
Office Manager
Administrative Assistant IV

Eric Witkoski
Douglas N. Beatty
Gail Bates
Peggy Roefer
WarrenTurkett Ph.D.
Gail L. Benton
Stephanie Salleroli
Richard Sanders
Gina L. Goodman
Kira Bakke

OTHERS PRESENT; REPRESENTING

Clark County Water Reclamation District
College of Southern Nevada
Eide Bailly LLP
Eide Bailly LLP
NV Energy
Overton Power District No. 5
Overton Power District No. 5

David Stoff
Tina Dobbs
Tamara Miramontes
Chris Whetman
Michael Hulin
MeLisa Garcia
Randall Ozaki

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF FEBRUARY 11, 2020**

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The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premisirut at 1:30 pm 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. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)

Chairwoman Premisirut asked if there were any comments from the public.

There were none.

C. For Possible Action: Approval of minutes of the December 10, 2019 meeting.

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

D. For Possible Action: Selection of Vice Chair.

NRS 538.111 provides that “At the first meeting of the Commission in each calendar year, the Commission shall select the Vice Chair for the ensuing calendar year.”

Commissioner Kirkpatrick moved to retain Commissioner Kara J. Kelley as the Vice Chairwoman for the Commission. The motion was seconded by Commissioner Puliz and approved by unanimous vote.

E. For Possible Action: Presentation of the Commission’s Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2019.

Chief of Finance and Administration Douglas N. Beatty introduced the CAFR for Fiscal Year 2019 and explained that on December 10, following the regular Commission meeting the Financial and Audit Subcommittee (Subcommittee) met to review and discuss the draft documents that would become the final CAFR which the Commission had before them at this meeting.

Mr. Beatty then detailed the various components of the CAFR that were discussed at the Subcommittee meeting and explained that these components, now finalized, are included in the single CAFR document. The Required Communications Letter, which is not in the CAFR remains a separate document. The CAFR and Required Communications Letter provided at this meeting includes all changes and

Communications Letter provided at this meeting includes all changes and clarifications as directed by the Subcommittee, which were not material from the draft documents.

Mr. Beatty reported that the audit and all documents were completed in time to provide the necessary information to the State Controller's Office for the completion of the State's CAFR, and in time to meet the Commission's deadline for CAFR review.

Mr. Beatty then explained that there was one entry that related to fiscal 2018 (the prior year) that required a prior period adjustment. That entry is detailed in the financial statement footnotes on page 42.

Vice Chairwoman Kelley asked Mr. Beatty to explain how a prior-period adjustment, such as the one detailed in the report, would normally be handled.

Mr. Beatty explained that the item in question would normally have been recorded in 2018, but because it was missed in that year, it is recorded as if it had been done in the previous year, thus requiring an adjustment to the prior year's ending balance and a corresponding adjustment to the current year's beginning balance.

Mr. Beatty then explained that the audit went much more smooth than in past years and this was largely due to early discussions with the auditors regarding the year end adjustments demonstrating compliance with the "no profit" requirements of the Commission's contracts. These adjustments had been problematic in the past; but this year as completed based on direction from the auditors were done correctly and required no further review.

This report includes one finding that is worded similarly to that of the prior year, but the underlying reason for the finding is different for FY 2019 in that it primarily has to do with holdover transactions from FY 2018. These items are detailed in the Required Communications Letter and are not included in the CAFR document.

Mr. Beatty introduced Senior Manager Chris Whetman of Eide Bailly, who explained the auditor's reports within the CAFR.

Chairwoman Premsrirut asked Mr. Whetman to explain their recommendation to Staff to periodically assess risk regarding the issue of closing out the financial statements and any errors that may occur there.

Mr. Whetman stated that this comment on the part of Eide Bailly was for Staff to pre-emptively examine items that have caused errors in the past, as well as any items that require special clarification, before the books are closed for the fiscal year. The Commission's Staff has embraced these recommendations.

Mr. Beatty added that Staff has changed the manner in which certain transactions, particularly those that are notably complex, have been recorded in order to streamline accounting procedures and prevent future errors.

Vice Chairwoman Kelley asked Mr. Whetman if the material weakness noted in the audit report might predict future errors on the part of Staff.

Mr. Whetman answered that Eide Bailly believes Staff has fully embraced all recommendations and has made changes to their procedures that will likely prevent errors in the future.

Commissioner Kirkpatrick thanked Staff and Eide Bailly for their efforts on this issue and stated that the Commission was encouraged by Staff's changes to procedures, and that though a material weakness was unfortunately found, Staff has been working diligently to both explain the weakness and prevent them from occurring in the future.

Chairwoman Premsrirut asked if there were any further questions or comments from the Commission. Hearing none, she thanked Staff and Eide Bailly for their presentation and hard work.

Vice Chairwoman Kelley moved to accept the presentation of the CAFR for fiscal year ended June 30, 2019. The motion was seconded by Commissioner Winterton and approved by unanimous vote.

<p>F. <i>For Information Only:</i> Status update on Right of Access Agreements between the Commission and each of its Contractors at the Black Mountain Industrial (BMI) Complex.</p>
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Mr. Eric Witkoski gave an update on the Right of Access Agreements between the Commission and each of its Contractors at the BMI Complex. Staff was making progress on the Agreements and working with each customer.

Chairwoman Premsrirut stated as a reminder that these Agreements were being negotiated to allow the Commission to enforce any non-payment on the part of customers.

Mr. Witkoski affirmed that this summation was correct.

<p>G. <i>For Information Only:</i> Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.</p>

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

First, counsel for all Basin States (with the exception of New Mexico) plan to file a Joint Motion for Intervention by the end of February in the *Save the Colorado River et. al. vs. U.S. Department of the Interior* case. New Mexico plans to file as an Amicus, but declined to join the litigation as a party with the other six Basin States.

Second, the CRCNV has intervened in two related matters before the Federal Energy Regulatory Commission (FERC.) Pumped Hydro Storage LLC has filed two Applications for Preliminary Permits to build hydro facilities on Navajo land. The Little Colorado River Project and the Salt Trail Canyon Projects are seeking to build dams and other structures.

The location of these projects near the confluence of the Little Colorado River and the Colorado River is problematic. This area supports the largest remaining population of the humpback chub in the world. The Little Colorado River is the only known spawning population of the endangered humpback chub in the Grand Canyon.

Numerous other entities have also intervened or commented including several Native American tribes, the Department of the Interior and Arizona Fish and Game with the majority expressing concerns over the projects' locations due to potential adverse impacts to Native American sacred places, impacts to the Chub, and impacts to water flows.

Third, the CRCNV is an intervener in *Navajo Nation vs. U.S. Department of the Interior*, which is currently at the Ninth Circuit Court. The Navajo Nation's opening brief is due by February 26, 2020, the Department of the Interior's is due 45 days later, and then interveners (such as the CRCNV and other Basin States) is due shortly after this.

Chairwoman Premisrirt asked Ms. Guerri to circulate a summary or list of comments for the FERC projects, and to keep the Commission apprised of any updates on the *Navajo Nation vs. Department of the Interior* case as they develop.

Ms. Guerri agreed, stating that staff had developed (in conjunction with Natural Resource Analyst Peggy Roefer) a spreadsheet detailing the entities involved in the FERC projects and their public comments.

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

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

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

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

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.)

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

J. Comments and questions from the Commission members.

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

K. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, March 10, 2020 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.


L. Adjournment.

The meeting was adjourned at 2:06 pm.




Eric Witkoski, Executive Director

APPROVED:



Puoy K. Premsrirut, Chairwoman



Colorado River Commission of Nevada

Hydrology and Water Use Update

Warren Turkett

February 11, 2020

February 11, 2020

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Summary

Lake Powell

- Water Year 2020 snowpack accumulation is currently at seasonal average.
- Below average precipitation from June to September 2019 has caused dry soil conditions in the Upper Basin.
- Water Year 2020 unregulated inflow is forecasted to be 80% of average.

Lake Mead

- In calendar year 2020, Nevada will be required to have an Extraordinary ICS contribution of 8,000 acre feet pursuant to the DCP operation agreement.
- Lake Mead is projected to decrease about 10 feet by end of this calendar year.

Nevada Water Supply

- Southern Nevada has 7 years of water supply banked. ¹
- **In 2018, Southern Nevada used 19% less than its annual allocation.**

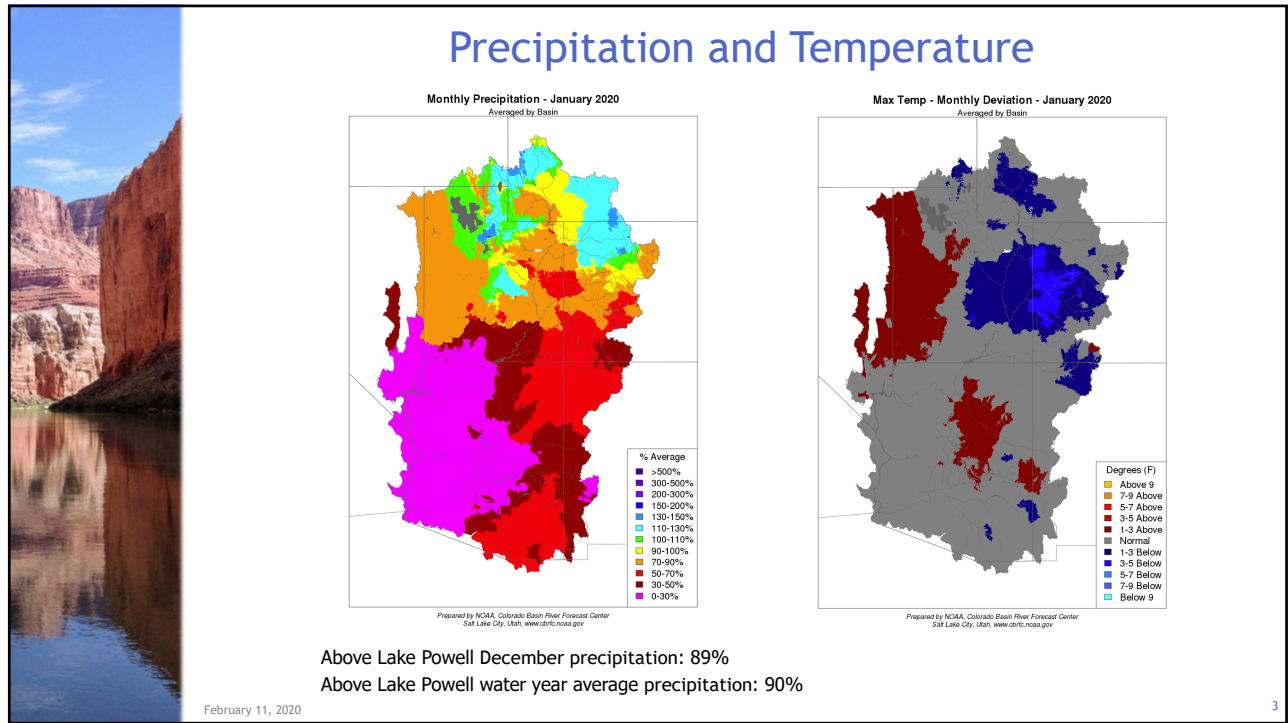
Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,094.9	43%	9.1 ft
Lake Powell	3,604.9	50%	29.9 ft

Data retrieved February 7, 2020
¹ Based on historical Southern Nevada water use.

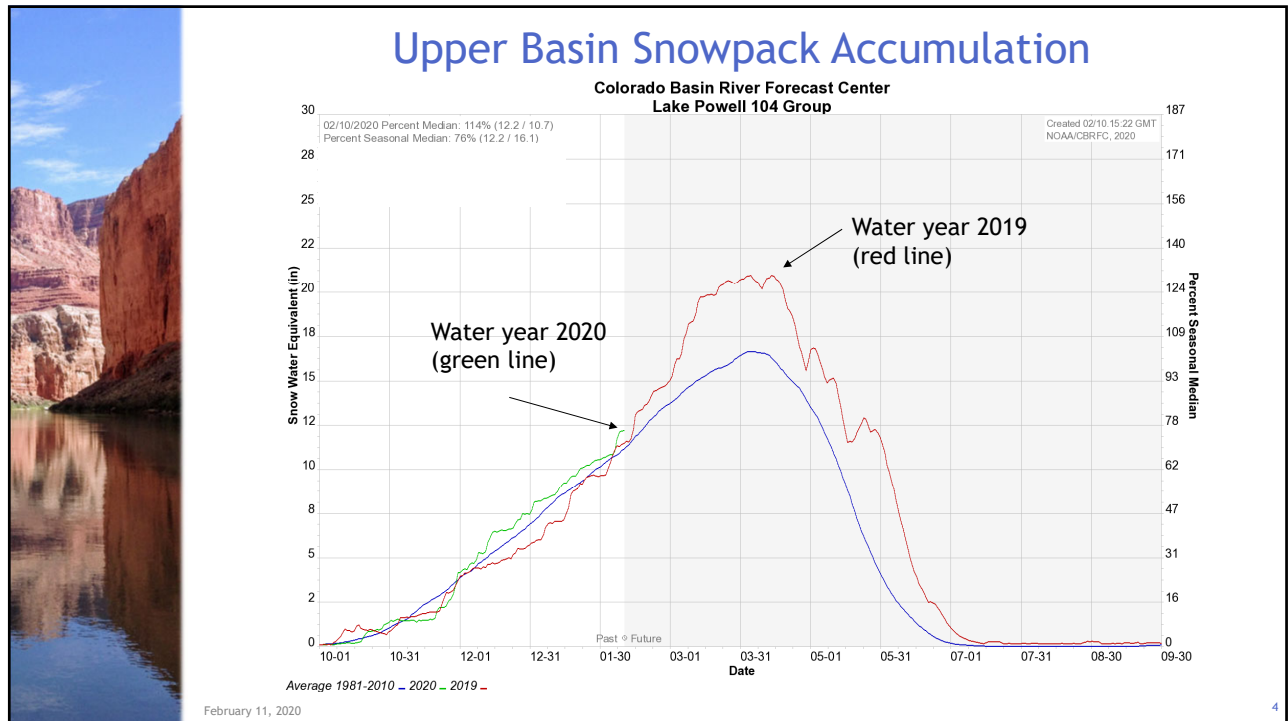
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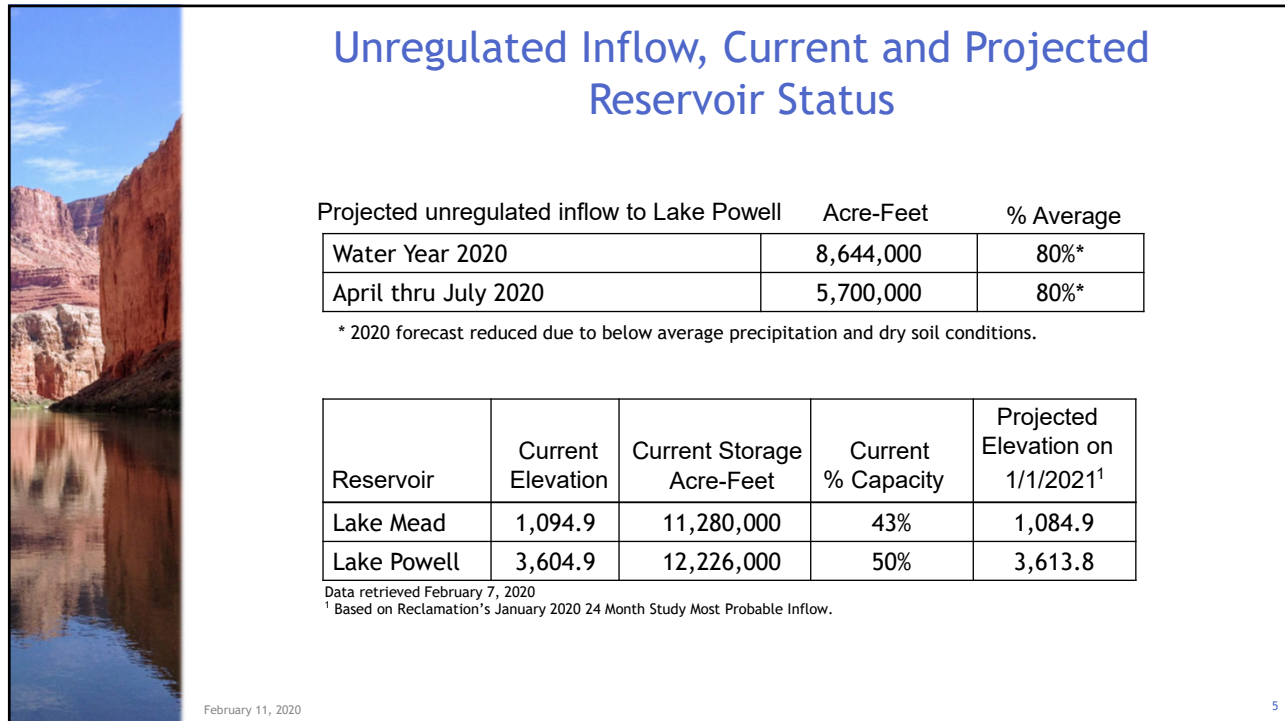
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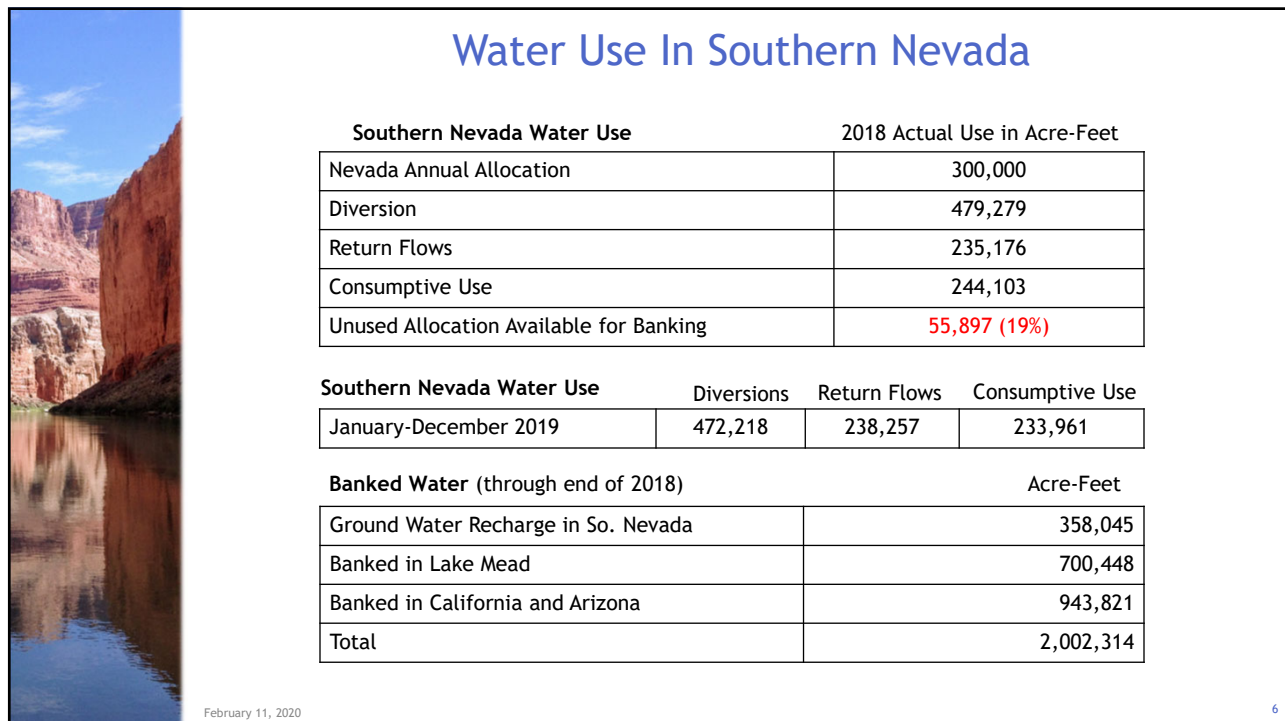
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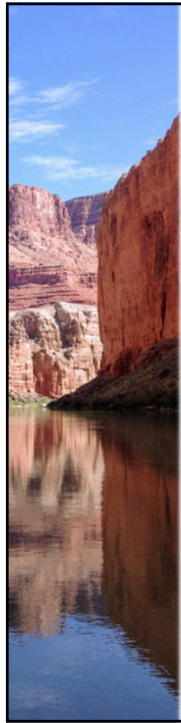
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2020 Nevada DCP Contribution Determination

- Reclamation uses the August 24 Month Study to forecast lake elevations for the upcoming January 1, to determine water operations for the upcoming year.
- The Drought Contingency Plan (DCP) requires a contribution for Nevada and Arizona if the projected elevation falls below 1,090 feet.
- The 2019 August 24 Month Study projected Lake Mead to be at an elevation of 1,089.40 feet on January 1, 2020, or below the threshold of 1,090 feet.
- However, on January 1, 2020 the actual elevation in Lake Mead was 1,090.64 feet.
- Under such a scenario for Nevada, the Lower Basin DCP provides that if the actual elevation at Lake Mead is above 1,090 feet on January 1, then the required DCP contribution contemplated in August, will be treated as Intentional Created Surplus (ICS), rather than a DCP contribution and remain available.
- Consequently, Nevada will not be required to have a DCP contribution of 8,000 acre feet, but have the 8,000 acre feet treated as regular Intentional Created Surplus in calendar year 2020.

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