

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
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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

COLORADO RIVER COMMISSION OF NEVADA

MEETING OF

DECEMBER 13, 2022

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COLORADO RIVER COMMISSION OF NEVADA

MEETING OF

DECEMBER 13, 2022

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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 1st 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 1st, 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 Premrsirut 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 Premrsirut 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 Premrsirut 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.

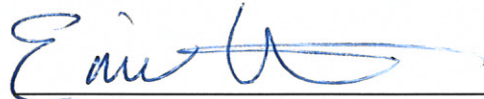
Chairwoman Premsrirut stated that even though she is not up to speed, CRCNV Staff offers a breadth of information and if anyone needs information, utilize CRCNV as a resource and support whatever data points are asked, so that everyone can make the best decisions that are available.

J. Selection of the next possible meeting date.
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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.

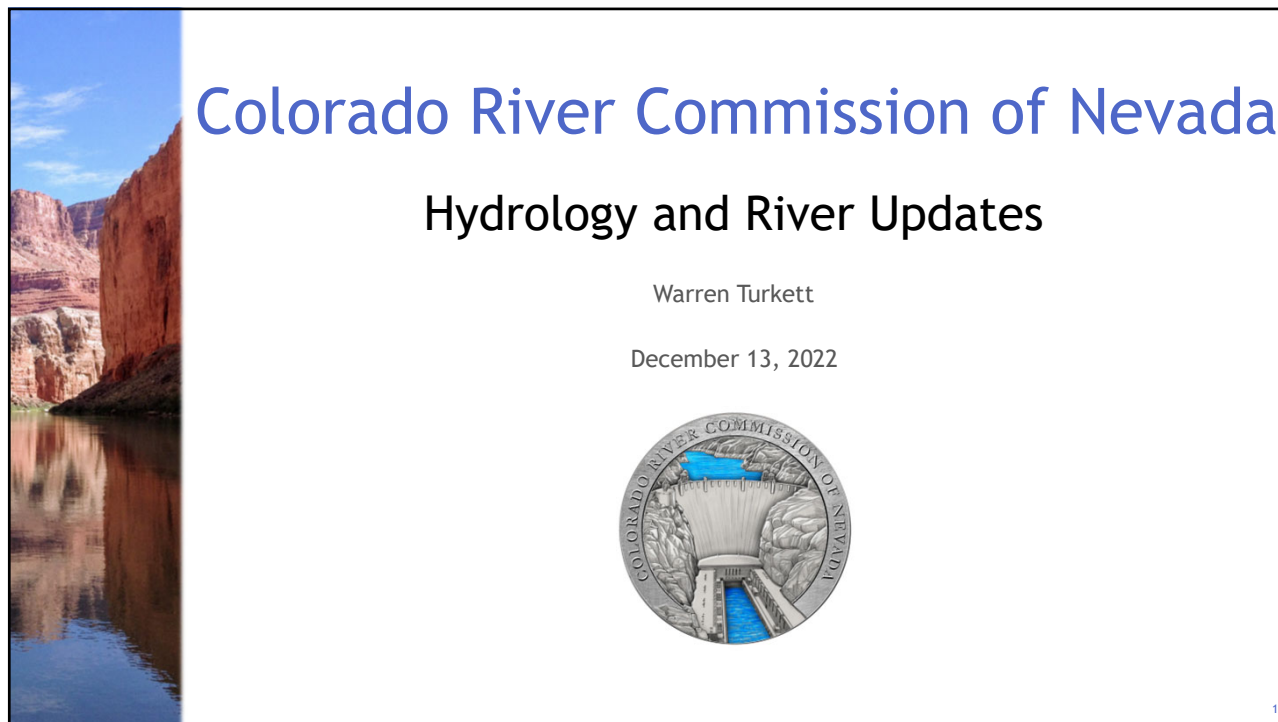


Eric Witkoski, Executive Director

APPROVED:




Puoy K. Premisrut, Chairwoman



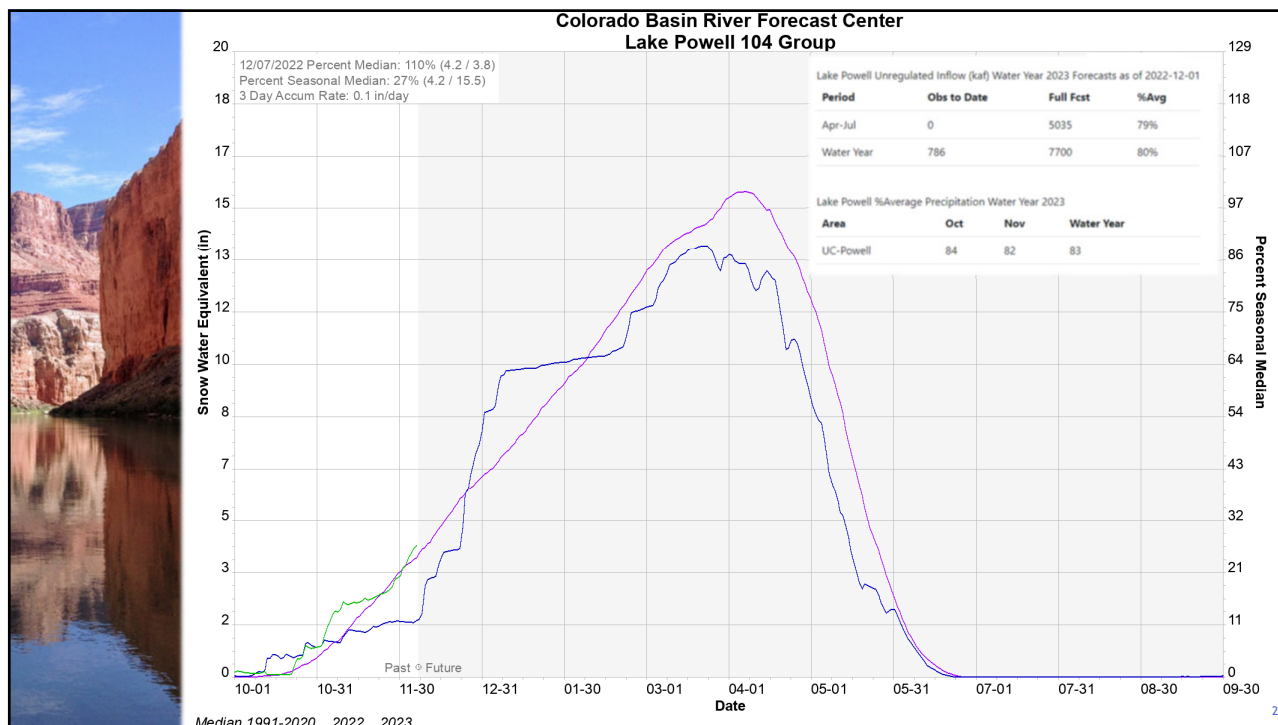
Colorado River Commission of Nevada

Hydrology and River Updates

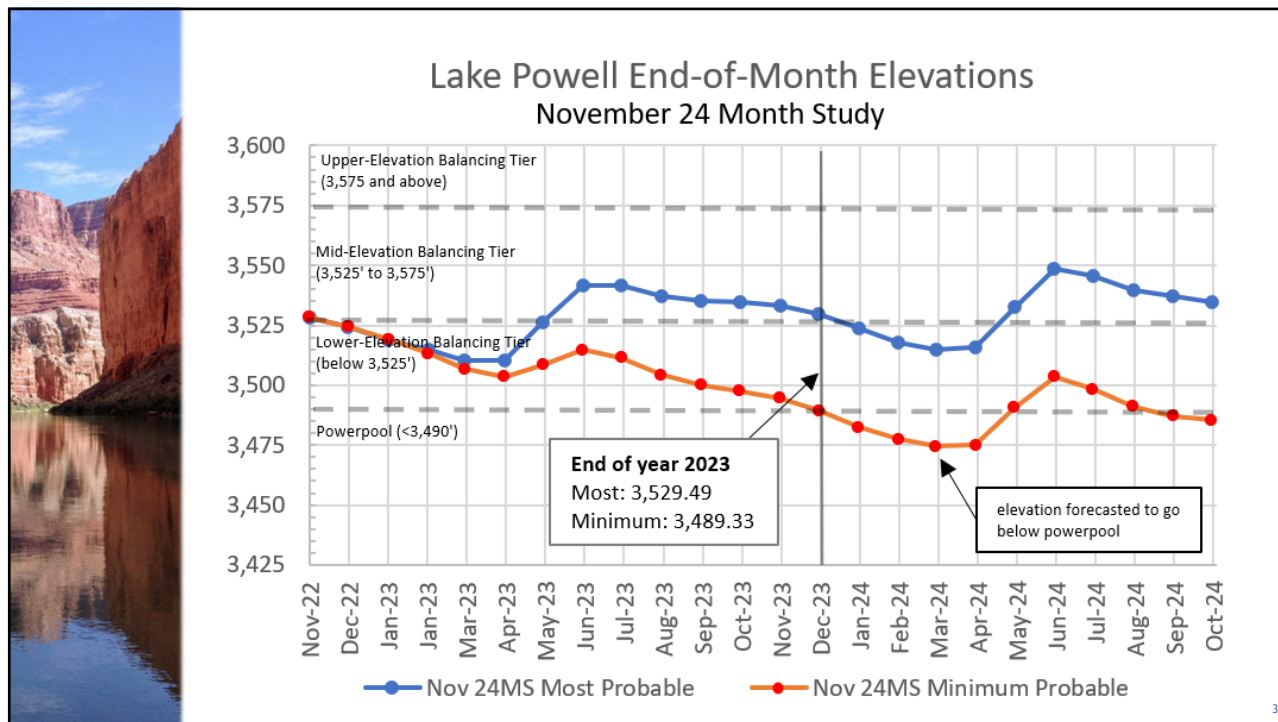
Warren Turkett
December 13, 2022



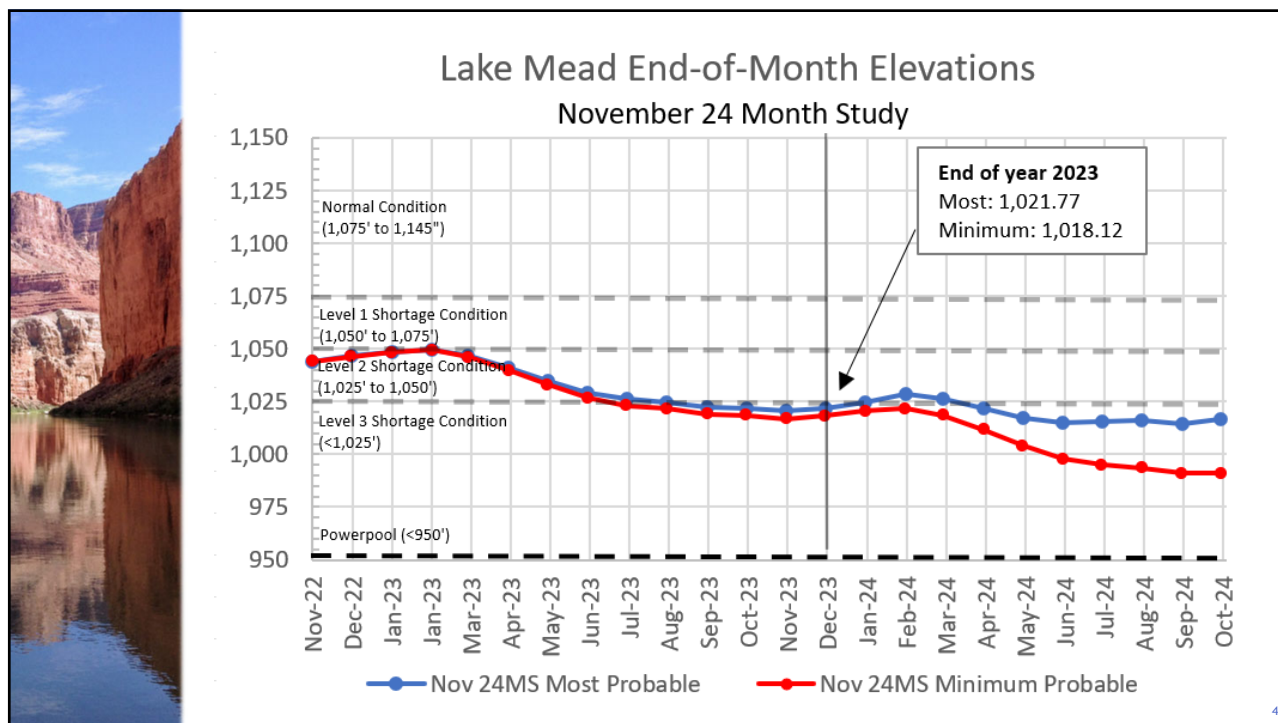
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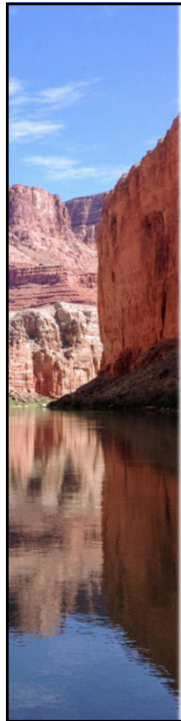
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Negotiations and Updates

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 ¹

- Published in the Federal Register on November 17th.
- 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.

¹ https://www.usbr.gov/ColoradoRiverBasin/documents/post2026/2007InterimGuidelinesSEIS_ScopingWebinarPresentation.pdf