

The Colorado River Commission of Nevada meeting was held at 1:30 p.m. on Tuesday, May 14, 2019 at the Clark County Government Center in the Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Commissioner
Commissioner

Puoy K. Premsrirut
John F. Marz
Dan H. Stewart

COMMISSIONERS IN ATTENDANCE VIA TELEPHONE

Vice Chairwoman
Commissioner

Kara J. Kelley
Cody T. Winterton

COMMISSIONER(S) NOT IN ATTENDANCE

Commissioner
Commissioner

James B. Gibson
Marilyn Kirkpatrick

DEPUTY ATTORNEY(S) GENERAL

Special Counsel, Attorney General
Special Counsel, Attorney General

Jennifer Crandell
Christine Guerci

COMMISSION STAFF IN ATTENDANCE

Executive Director
Assistant Director of Energy Services
Assistant Director of Engineering and Operations
Manager, Natural Resources Program
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Senior Energy Accountant
Senior Energy Accountant
Office Manager
Administrative Assistant IV
Administrative Assistant III
Administrative Assistant II

Eric Witkoski
Gail Bates
Bob Reese
Angela K. Slaughter
Peggy Roefler
Warren Turkett, Ph.D.
Gail L. Benton
Richard M. Sanders
Stephanie Salleroli
Gina L. Goodman
Kira Bakke
Kristina Perry
LaTerria Graves

OTHERS PRESENT; REPRESENTING

College of Southern Nevada
NV Energy
Overton Power District 5
Self
Southern Nevada Water Authority

Tina Dobbs
Michael Hulin
MeLisa Garcia
Sara Price
Mitch Bishop

**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF MAY 14, 2019**

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**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF MAY 14, 2019(CONTINUED)**

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The Colorado River Commission of Nevada meeting was called to order by Chairwoman Premsrirut at 1:30 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. (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 Premsrirut asked if there were any comments from the public. There were none.

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

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

D. For Possible Action: Consideration of and possible action to approve a four-year Contract SA-19-01 in the total amount of \$266,280 for Substation Insulator Cleaning Services between Energized Substation Maintenance, Inc., and the Commission.

Assistant Director of Engineering and Operations, Bob Reese, explained that the Commission owns, operates and maintains three 230-kV to 14.4-kV substations comprising the Basic Substation Project. The Commission utilizes these substations to provide electric services to the Commission's customers located at the Basic Industrial Complex: Basic Water Company, Borman Specialty (formerly Tronx), Lhoist North America, Olin Chlor Alkali Products, and Titanium Metals Corporation (TIMET).

These substations are exposed to various air-borne emissions because the substations are located in close proximity to the various chemical and metallurgical processing plants at the Basic Industrial Complex. The substations were designed with recognition of the environmental conditions, including the use of copper components in lieu of aluminum to prevent interaction with on-site chlorine gas. However, the presence of local contaminants presents a condition that must be mitigated through effective preventative maintenance.

Effective preventative maintenance is accomplished through the periodic cleaning of the substation insulators. Substation insulators are used to support energized bus, conductor and equipment and are designed to prevent water from flowing over the surface of the insulator in a continuous path during a rainstorm. If contaminants are allowed to build up on an insulator, electricity will travel from the

energized bus, conductor or equipment over the surface of the insulator to the underlying steel support structure resulting in a “flashover” which will produce an unscheduled interruption in electric service.

Standard industry practice requires the insulators to be cleaned twice each year to prevent a flashover. Because of the hazard involved and the unique nature of the work, cleaning of substation insulators is only performed by a handful of contractors nationwide.

On February 25, 2019 Contract No. SA-19-01 for Substation Insulator Cleaning Services was released for bid. By bid closing on April 15, 2019, the Commission had received one bid. The bid amount is shown below.

The Commission’s staff and engineers have evaluated the bids based on price, proposed products, schedules, bidder exceptions, safety records and other related factors.

The evaluation also included compliance with Nevada Revised Statutes (NRS) 338.147 under which bidder preference is given to a bidder who is a Nevada licensed contractor, who provides proof of payment of taxes to the State of Nevada and a certificate of eligibility from the State Contractors’ Board.

Staff’s evaluation confirmed that the bid from Energized Substation Maintenance, Inc., was the lowest responsive bid. No Nevada companies submitted bids. Staff therefore recommends award of Contract No. SA-19-01 to Energized Substation Maintenance, Inc.

Staff is requesting contract authority of \$292,908 which includes a 10 percent contingency for quantity adjustments and change orders.

A copy of the contract is attached for review.

Bidder Name	Bid Amount
Energized Substation Maintenance, Inc.	\$266,280.00

Chairwoman Premsrirut asked for clarification: if this is a services contract, is the contractor going to provide the service scheduled periodically or one with authorized amounts for which one has some flexibility to incur extra expenses? Are these being incurred per schedule with the acceptance of the contingency?

Mr. Reese responded affirmatively. The cleaning is not contracted to a specific date, for example: if Staff deems that it only requires one cleaning per year, then that is what will be implemented. Typically, the contamination builds up and should be cleaned every six months.

Chairwoman Premsrirut stated that one of the fundamental concerns of the Commission is that these contracts are offered to local vendors or anyone equipped and qualified, and wanted to commend Staff for their due diligence.

Commissioner Stewart moved for approval for the four-year contract with Energized Substation Maintenance, Inc. The motion was seconded by Commissioner Marz and approved by unanimous vote.

E. *For Information Only:* Update on federal and state contracts for Salt Lake City Area Integrated Projects (“SLCAIP”) Hydropower allocations.

Special Counsel, Christine Guerci presented a status update on the Salt Lake City Area Integrated Projects.

- SLCAIP Information
- SLCAIP Current Allocations
- Post-2024 Allocations
- Federal SLCAIP Contract
- State SLCAIP Contracts

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

Chairwoman Premsrirut asked about the Environmental Attributes, whether it was more of a categorization of the type of energy in the portfolio?

Ms. Guerci responded that with environmental attributes it is considered “bundled,” for example - California requires carbon-free attributes associated with their power.

Vice Chairwoman Kelley asked if the contractual provision was similar to Water Rights.

Ms. Guerci responded that it is not the same as Water Rights. It is a way of breaking down the power that one is already getting into component parts.

Vice Chairwoman Kelley asked about the ability to get additional allocations from the SLCAIP project.

Ms. Guerci responded that the federal government started the project in 2016 and at the time there was not a large push for renegotiation given the zero-sum nature of the resource. If they were going to have done something, it would have had to have been in 2016, and the likelihood of success was very small considering the CRCNV is a small customer of SCLAIP. We get three percent; there are lots of large customers who were very determined to hold on to their share.

Chairwoman Premsrirut asked if the transactions and market provisions were something new; is it customary or is it a policy shift?

Ms. Guerci explained that it is fairly new, starting with Hoover negotiations. The discussions of market transactions came up, as well as the question of whether they were going to be allowed by Western Area Power Administration because there is

the ability to use some of this hydropower and benefit from it in other ways, besides the low-cost power.

Chairwoman Premsrirut clarified that, essentially, we have done this before; and others are doing it as well, just want to make sure for the record and the customers that applied for these allocations, that this is an attribute of this allocation?

Ms. Guerci clarified it was determined in the Hoover negotiations. Chairwoman Premsrirut asked if there were any further questions. There were none.

F. For Possible Action: Update on the activities of the Financial and Audit Subcommittee.

Mr. Witkoski informed the Commission that there were no updates except that staff will be adding software to the budget, which may be discussed during the next meeting.

G. For Possible Action: Status Update on 2019 Legislative Session and related Budget.

Mr. Witkoski stated that the budget was closed by the sub-committee on April 18, 2019 and the final decision for the legislature will be May 19, 2019 or May 20, 2019. Senate Bill 358 revises provisions related to the renewable energy portfolio standard approved by the Governor on April 22, 2019.

H. For Possible Action: Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.

There were no updates at this time.

I. 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.

Special Counsel, Jennifer Crandell gave a status update for the Drought Contingency stating that everything is on schedule to be completed by May 17, 2019.

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

- Water Use in Southern Nevada
- Precipitation and Temperature
- Unregulated Inflow, Current and Projected Reservoir Status

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

Dr. Turkett reiterated that April through July will be the third-biggest runoffs (if it occurs as planned) since 1997.

Chairwoman Premsrirut asked if the two million acre-feet Southern Nevada Water Authority has banked is part of the seven-year banking statistic.

Dr. Turkett replied yes, the numbers have only slightly changed.

Commissioner Stewart asked how effective the ground water recharge is. Is there a way to calculate how much water is going in and out?

Dr. Turkett responded affirmatively.

Commissioner Marz asked how much of the water has been absorbed into the ground this year, and what effect this has had on the run-off?

Dr. Turkett explained that the Colorado Basin Forecast Center anticipated a 15% – 20% loss from the snowpack runoff due to the ground being dry leading up to this water year. The losses were included in the 112% mentioned.

Chairwoman Premsrirut asked if there were any further questions. There were none.

J. 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.

K. 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.

L. Selection of next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, June 11, 2019 at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

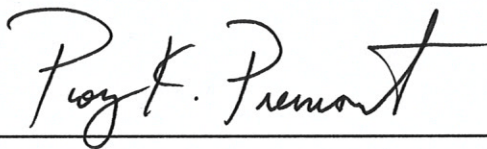
M. Adjournment.

The meeting was adjourned at 2:45 pm.



Eric Witkoski, Executive Director

APPROVED:



Puoy K. Premsrirut, Chairwoman

Colorado River Commission of Nevada (CRCNV)

Federal and State SLCAIP Contracts

Christine Guerci
Special Counsel

August 13, 2019



SLCAIP Information

- SLCAIP = Salt Lake City Area Integrated Projects
- Initial hydroelectric generation began in 1963.
- It is comprised of two Utah Dams:



Glen Canyon Dam

Flaming Gorge Dam

8/13/2019

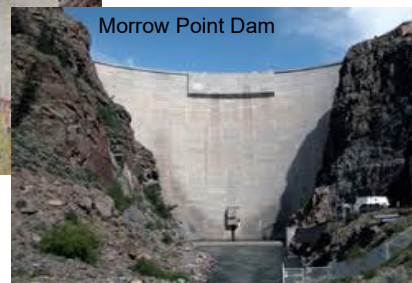
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SLCAIP Information

- And three Colorado Dams



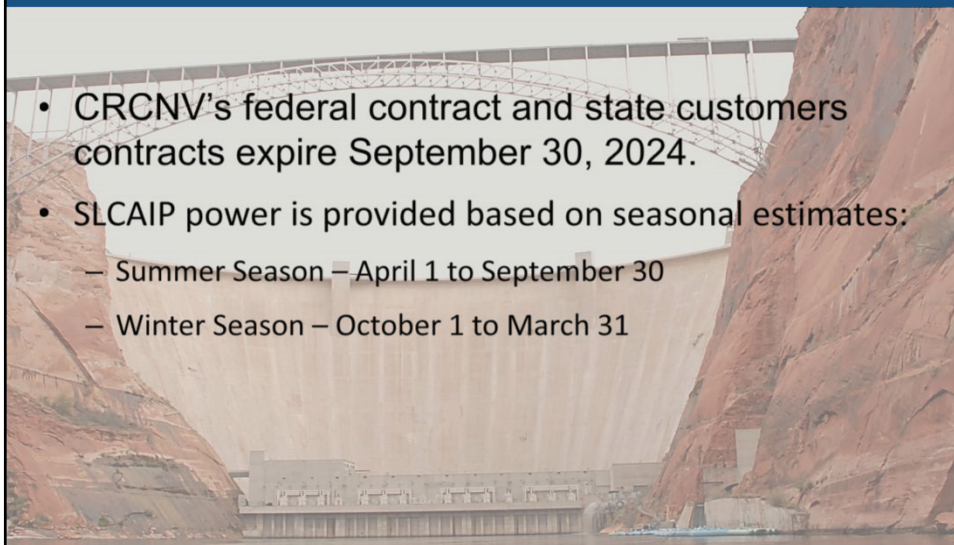
- As well as six power plants



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SLCAIP Current Allocations

- CRCNV's federal contract and state customers contracts expire September 30, 2024.
- SLCAIP power is provided based on seasonal estimates:
 - Summer Season – April 1 to September 30
 - Winter Season – October 1 to March 31



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SLCAIP Current Allocations

- Summer Season
 - 20,851 kW of capacity and
 - 37,944,500 kWh of energy
- Winter Season
 - 27,414 kW of capacity and
 - 50,267,119 kWh of energy

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Post-2024 Allocations

- By Federal Register Notice dated November 29, 2016, the CRCNV's SLCAIP allocation was extended through September 30, 2057.
- By Order of the Commission dated February 13, 2019, Allocations to the CRCNV's three contractors will remain at the same levels for the new contract term October 1, 2024 – September 30, 2057.

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Federal SLCAIP Contract

- Term: Effective upon execution for delivery of Firm Electric Service commencing on October 1, 2024 through September 30, 2057.
 - The previous Federal Contract for deliveries through September 30, 2024 will run concurrently with the Post-2024 Contract.

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Federal SLCAIP Contract

- Contract terminology:
 - CROD – Contract Rate of Delivery – is the CRCNV's maximum level of power that the CRCNV is entitled to receive in each season.
 - AHP – Available Hydropower – maximum amount of power available each season as determined by WAPA based on water conditions.
 - WRP – Western Replacement Power – Acquired by Western at the request of the Contractor for a shortage of AHP.

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Federal SLCAIP Contract

- No later than June 1 for the Winter Season and January 15 for the summer season, Western will notify the CRCNV of the AHP expected for the upcoming season.
- If there is a deficit between the AHP and the CROD, the CRCNV can obtain WRP or procure additional power from its own sources.

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Federal SLCAIP Contract

- The Post-2024 Federal Contract allows the CRCNV to establish its continuing right to a portion of the hydropower produced by SLCAIP through 2057.
- The Post-2024 Federal Contract also provides for the following provisions to be effective upon execution:
 - Updated Federal Creditworthiness Policy.
 - Use of Environmental Attributes.
 - Transactions in Markets provision.
 - 5 Years notice of a change in the firm energy commitment due to a change in hydrology or river operations.

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Federal SLCAIP Contract

- Use of Environmental Attributes (Sec. 13) – Environmental attributes are considered bundled with the energy allocation and the CRCNV has the right to take its proportionate share based on its allocation.
- Transactions in Markets Provision (Sec. 14) – Utilizing capacity and/or energy in organized markets is not considered a sale for resale.

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Federal SLCAIP Contract

- **Transmission** - Delivery to Pinnacle Peak is provided for in this Federal SLCAIP Contract.
- Further transmission to Parker-Davis Points of Delivery continue through September 30, 2024 pursuant to 1987 agreement.
- Post – 2024 Transmission from Pinnacle Peak will be provided for in a separate agreement at the Parker-Davis Firm Transmission Rate in effect at the time service is taken.

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State SLCAIP Contracts

- The State Contracts will become effective upon execution for delivery of Firm Electric Service commencing on October 1, 2024 through September 30, 2057.
- The previous State Contract for deliveries through September 30, 2024 will run concurrently with the Post-2024 Contract.
- The current State contracts are twenty-year renewal contracts that run from October 1, 2004 through September 31, 2024.

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State SLCAIP Contracts

- The CRCNV will enter separate contracts with each of its Contractors. The contracts will all have similar language and provisions.
- The CRCNV has the following three contractors:
 - City of Boulder City
 - Overton Power District No. 5
 - Valley Electric Association

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State SLCAIP Contracts

	Summer		Winter	
	Capacity	Energy	Capacity	Energy
Applicants	kW	kWh	kW	kWh
City of Boulder City	5,537	10,075,242	7,279	13,347,215
Overton Power District No. 5	6,279	11,427,163	8,256	15,138,176
Valley Electric Association, Inc.	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

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State SLCAIP Contracts

- The State contracts follow the same terminology as the Federal Contracts:
 - CROD, AHP, WRP
- After the CRCNV receives the notice of Seasonal AHP available from Western, the CRCNV then notifies its Contractors of the available AHP and asks whether they wish to purchase WRP.

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State SLCAIP Contracts

- Environmental Attributes (Sec. 11) – Contractors have the right to utilize Environmental attributes for compliance with any requirements applicable to the Contractor or to transact with third parties, with approval of the CRCNV.
- After consultation with the Contractor, the CRCNV may utilize any of Contractor's unused Environmental Attributes for the benefit of the Contractor, the State of Nevada or the SLCAIP.

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State SLCAIP Contracts

- Transactions in Markets provision (Sec. 6.1.2) – Contractor transactions with independent system operators, regional transmission organizations and their successor organizations is not considered a resale under NAC 538.540.
- Contractor may request permission from CRCNV to engage in transactions with other similar entities.
- Contractor must still be using the full Electric Power resource available to it under the Contract.

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State SLCAIP Contracts

- **Transmission** - CRCNV is required to enter into the agreement with WAPA for transmission post-2024 from Pinnacle Peak to Parker-Davis Points of Delivery.
- Contractors are required to enter into a new contract, prior to June 1, 2024, with the CRCNV for transmission service from Pinnacle Peak to Parker-Davis Points of Delivery.
- Contractors utilizing continuous or back-up transmission, or directly interconnected to the Parker-Davis Southern Nevada facilities must also enter into a contract for such service prior to June 1, 2024.

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Questions?



ERIC WITKOSKI
Executive Director

CHRISTINE GUERCI
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Colorado River Commission of Nevada

Hydrology and Water Use Update August 13, 2019



Summary

Lake Powell

- Water Year 2019 Upper Basin snowpack peaked at 126% of average.
- Water Year 2019 Upper Basin cumulative precipitation is 122% of average.
- Water Year 2019 unregulated inflow is forecasted at 125% of average.

Lake Mead

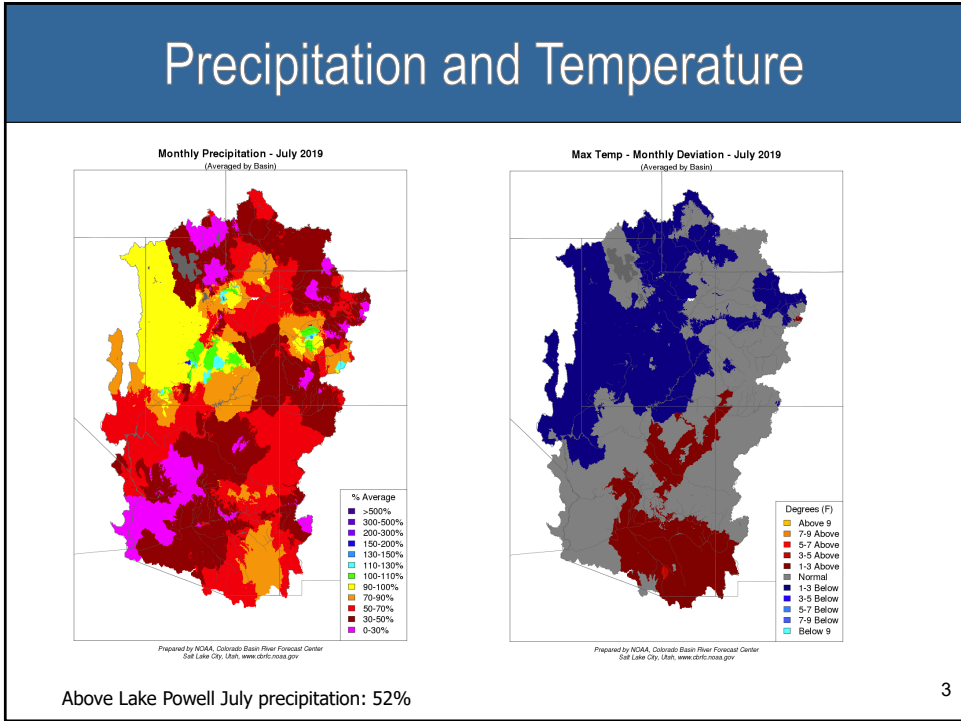
- A Lower Basin shortage is not projected for Water Year 2020.
- Lake Mead is projected to increase about 5 feet by end of calendar year.

Nevada Water Supply

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

Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,083.0	39%	4.5 ft
Lake Powell	3,621.7	57%	36.0 ft

Data retrieved August 5, 2019



Unregulated Inflow, Current and Projected Reservoir Status

Projected unregulated inflow to Lake Powell	Acre-Feet	% Average
Water Year 2019	13,535,000	125%
April thru July 2019	10,410,000	145%

Reservoir	Current Elevation	Current Storage Acre-Feet	Current % Capacity	Projected Elevation on 1/1/2020 ¹
Lake Mead	1,083.0	10,260,000	39%	1,087.5
Lake Powell	3,621.7	13,940,000	57%	3,622.4

Data retrieved August 5, 2019
¹ Based on Reclamation's July 2019 24 Month Study.

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Water Use In Southern Nevada

Southern Nevada Water Use	2018 Actual Use in Acre-Feet
Nevada Annual Allocation	300,000
Diversion	479,279
Return Flows	235,176
Consumptive Use	244,103
Unused Allocation Available for Banking	55,897 (19%)

Southern Nevada Water Use	Diversions	Return Flows	Consumptive Use
January-June 2019	209,181	119,435	89,746

Banked Water (through end of 2018)	Acre-Feet
Ground Water Recharge in So. Nevada	358,045
Banked in Lake Mead	700,448
Banked in California and Arizona	943,821
Total	2,002,314

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