

The meeting was held at 1:03 p.m. on Tuesday, April 9, 2013, at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Vice Chairwoman	Marybel Batjer
Commissioner	Bob Coffin
Commissioner	Duncan R. McCoy
Commissioner	Steve Sisolak

COMMISSIONERS IN ATTENDANCE VIA TELECONFERENCE

Commissioner	J. Brin Gibson
Commissioner	Berlyn D. Miller

DEPUTY ATTORNEY GENERAL

Senior Deputy Attorney General	Jennifer T. Crandell
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DEPUTY ATTORNEY GENERAL IN ATTENDANCE VIA TELECONFERENCE

Senior Deputy Attorney General	Ann C. Pongracz
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COMMISSION STAFF IN ATTENDANCE

Deputy Executive Director	James D. Salo
Chief of Finance and Administration	Douglas N. Beatty
Assistant Director of Engineering and Operations	Robert D. Reese
Manager, Energy Services	Gail A. Bates
Manager, Hydropower Program	Craig N. Pyper
Manager, Natural Resources Group	McClain L. Peterson
Natural Resource Analyst	Jason Thiriot
Natural Resource Analyst	Warren Turkett
Office Manager	Judy K. Atwood
Administrative Assistant III	Carol L. Perone
Administrative Assistant II	Melissa Dibert

COMMISSION STAFF IN ATTENDANCE VIA TELECONFERENCE

Executive Director	Jayne Harkins, P.E.
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OTHERS PRESENT; REPRESENTING

Consultant	Sara A. Price, Esq.
Overton Power District No. 5	Mendis Cooper
Overton Power District No. 5	Delmar Leatham
Self	Todd Farlow
Southern Nevada Water Authority	Kathy Flanagan

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF APRIL 9, 2013**

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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.

Deputy Director James D. Salo confirmed that the meeting was in compliance with the Open Meeting Law.

B. Comments and questions 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 March 12, 2013 meeting.

Commissioner Coffin moved for approval of the minutes. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote.

D. For Possible Action: Consideration of and possible action to adopt Colorado River Commission of Nevada Resolution 2013-1, commending Commissioner Tom Collins for his service to the Commission.

Agenda Item D. was removed from the meeting agenda.

E. For Possible Action: Consideration of and possible action to approve a Network Operating Agreement Between Nevada Power Company d/b/a NVEnergy and the Colorado River Commission of Nevada (Commission).

Gail A. Bates, Manager of Energy Services, explained the Network Operating Agreement Between NVEnergy and the Commission.

The Commission delivers energy to certain electrical loads of the City of Henderson, the City of Las Vegas, the Clark County Water Reclamation District, the Las Vegas Valley Water District, and the Southern Nevada Water Authority (SNWA) (collectively, the CRC's Network Customers). The loads of the CRC's Network Customers are interconnected with NVEnergy's transmission and distribution system and the Commission purchases Network Integration Transmission Service (NITS) from NVEnergy on behalf of its customers. The rates, terms, and conditions for transmission service are contained in NVEnergy's Open Access Transmission Tariff (OATT) on file with the Federal Energy Regulatory Commission (FERC). NVEnergy's OATT requires that NITS customers enter into a Network Operating Agreement as a condition of obtaining transmission service.

The Network Operating Agreement requires the Commission to pay NVEnergy for transmission and ancillary services for all of the CRC's Network Customers. The Network Operating Agreement also requires the Commission to comply with certain operational requirements pertaining to metering, scheduling of energy, data exchange, etc.

Commissioner McCoy moved for approval of the Network Operating Agreement between NVEnergy and the Commission, and authorized the Executive Director to sign it on behalf of the Commission. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote.

F. *For Possible Action:* Consideration of and possible action to approve Network Integration Transmission Service Agreements among NVEnergy, the Commission, and each of the Commission's Network customers including the City of Henderson, the City of Las Vegas, the Clark County Water Reclamation District, the Las Vegas Valley Water District, and the Southern Nevada Water Authority.

Gail A. Bates, Manager of Energy Services, explained the Network Integration Transmission Service Agreements among NVEnergy, the Commission, and each of the Commission's Network customers including the City of Henderson, the City of Las Vegas, the Clark County Water Reclamation District, the Las Vegas Valley Water District, and the SNWA.

The Commission delivers energy to certain electrical loads of the City of Henderson, the City of Las Vegas, the Clark County Water Reclamation District, the Las Vegas Valley Water District, and the SNWA (collectively, the CRC's Network Customers). The loads of the CRC's Network Customers are interconnected with NVEnergy's transmission and distribution system. The Commission, NVEnergy, and each of the CRC's Network Customers are parties to Network Integration Transmission Service (NITS) Agreements pursuant to which NVEnergy provides transmission service in accordance with the rates, terms, and conditions contained in its OATT on file with FERC. The NITS Agreements will expire on May 31, 2013. The new agreements extend the term of transmission service for an additional ten years, through May 31, 2023. Execution of these agreements will enable the Commission to continue to deliver energy to the CRC's Network Customers over NVEnergy's transmission and distribution system, and will enable NVEnergy to be compensated for these services.

Chairman Ogilvie asked what is the status in obtaining the CRC Network Customers' approval of the NITS Agreement.

Ms. Bates stated that the CRC Network Customers are scheduled to present the agreement before their various Boards and Councils for approval between the end of April and the beginning of May. Staff is working with each CRC Network Customer to ensure the agreement is on the various agendas between now and the end of May.

Chairman Ogilvie asked about NVEnergy's approval.

Ms. Bates stated that NVEnergy will be the last to execute the NITS and Staff will ensure that it is delivered to NVEnergy before the expiration date of May 31, 2013.

Chairman Ogilvie asked if this agreement is similar to the previous Agenda Item E; the agreement is non-negotiable and pre-approved by FERC.

Ms. Bates stated that is correct. The agreements are fill in the blanks, including the meters for which you are requesting service and the term of service; very few customizable areas in the agreement.

Commissioner Coffin moved for approval of the Network Integration Transmission Service Agreements among NVEnergy, the Commission, and each of the Commission's Network Customers and authorized the Executive Director to sign them on behalf of the Commission. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote.

G. *For Possible Action:* Consideration of and possible action to approve Transmission Reduction Letter Agreements among NVEnergy, the Commission, and each of the Commission's Network customers including the City of Henderson, the City of Las Vegas, the Clark County Water Reclamation District, the Las Vegas Valley Water District, and the Southern Nevada Water Authority.

Gail A. Bates, Manager of Energy Services, explained the Transmission Reduction Letter Agreements among NVEnergy, the Commission, and each of the CRC's Network Customers.

The Commission delivers energy to certain electrical loads of the CRC's Network Customers. The loads of CRC's Network Customers are interconnected with NVEnergy's transmission and distribution system. The Commission, NVEnergy, and each of CRC's Network Customers are parties to Transmission Reduction Letter Agreements (Letter Agreements). These agreements preserve NVEnergy's right to interrupt the delivery of energy to CRC's Network Customers in emergency situations in order to preserve transmission system reliability. The Letter Agreements acknowledge that the CRC Network Customer loads are all critical water and wastewater pumping loads. The classification of these loads as "Tier 1" loads will allow CRC's Network Customers to select which loads will be curtailed in order to minimize disruption to water and wastewater operations.

The Letter Agreements are a required element of the Network Operating Agreement between NVEnergy and the Commission. The current Letter Agreements will expire on May 31, 2013. The new Letter Agreements extend the contract term for an additional ten years, through May 31, 2023. Execution of these agreements will enable the Commission to continue to deliver energy to CRC's Network Customers over NVEnergy's transmission and distribution system, and will enable NVEnergy to be compensated for these services.

Vice Chairwoman Batjer asked how often in a year's time do curtailments occur.

Ms. Bates stated that since the Commission's participation in 2004, there has been one occasion that can be recalled when NVEnergy asked the Commission to cut back a very small portion of the pumping load in order to help NVEnergy with a restoration problem within the valley. It was not an issue that had to do with their system, it was a major regional event that on the outside, maybe once for a couple of megawatts at most.

Commissioner Sisolak moved for approval of the Transmission Reduction Letter Agreements among NVEnergy, the Commission, and each of the Commission's Network Customers and authorized the Executive Director to sign them on behalf of the Commission. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote.

<p>H. <i>For Information Only:</i> Status update on the Colorado River Commission of Nevada's efforts to implement the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress.</p>
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James D. Salo, Deputy Director, provided a status update on the Commission's efforts to implement the provisions in the Hoover Power Allocation Act of 2011 (Act) passed by Congress.

The Act reallocates to the current Commission's Hoover hydropower customers 95% of what they currently receive and creates a pool of the remaining 5% to be allocated to new customers; some of which will be identified by the Commission, and some will be identified by Western Area Power Administration.

The Commission is pursuing legislation during the 2013 Nevada Legislative Session to address the limitation on the number of customers the Commission can serve under NRS 704.787. The bill, Assembly Bill 199, has been introduced in the Assembly and is currently pending. There is an effort to amend the bill that Staff is deeply involved in working on in Carson City, Nevada. It is likely that an amendment will be proposed to the Assembly Committee on Commerce and Labor, possibly later this week. The content is unknown currently, since it is an open discussion.

On a different bill, Senate Bill 438 was introduced at the request of the Commission, which is an effort to authorize the Commission to refinance certain debt associated with the Hoover Dam, both the Visitor's Center debt and debt having to do with airlocks that were put into place at the facility. Legislative authorization is needed and the bill has passed the Senate Committee on Natural Resources.

I. *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.

McClain L. Peterson, Manager of the Natural Resources Group, provided a report on the following:

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Lake Mead End of Month Elevation Projections
- Lake Mead Daily Water Levels
- Precipitation – Colorado River Basin
- Record of Precipitation, Las Vegas, NV, Recorded Value
- Record of Precipitation, Las Vegas, NV, Cumulative Received
- GIS Snow Condition Comparison from December 2011 to December 2012
- Upper Colorado Basin Snowpack
- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- SNOTEL Sensors
- SNOTEL Diagram
- SNOTEL Site Locations
- Upper Basin SNOTEL locations
- Fool Creek SNOTEL location
- Fool Creek Snow Water Equivalent
- SNOTEL Accuracy
- Water Use in Southern Nevada
- Public Outreach

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

Chairman Ogilvie asked if the 70% is the 70% of the pre-drought average basin snowpack on the slide labeled Precipitation – Colorado River Basin.

Mr. Peterson stated that is correct. The Nation Resources Conservation Service (NRCS) did not incorporate drought years; average reflected is for years 1971-2000. There have been discussions on the topic and at some point the drought years will have to be incorporated. [*See Note Below]

Commissioner Sisolak asked what use is an average that is 13 years old, and do not incorporate any new figures in it. He has never heard of an average that is updated every decade; and this average is three years old past the decade since it was updated. Is it really realistic?

Mr. Peterson stated there is concern of bringing in the drought periods and it was felt that when the Bureau of Reclamation rolled it in with the 24 month study it really was not a large change. The idea of using ten years is that it should show a range of hydrology's from dry

to wet. There are three years above average over the last ten year period, so even during this drought we have seen an above average. It would be difficult to say which would be better to use, this 30 year period as opposed to the next.

Commissioner Sisolak stated that if you were to put down the average from 1921 to 1950 it would not be any more meaningful, or less meaningful, than this information is. The drought is what we are dealing with.

Vice Chairwoman Batjer stated that you have to have a number of years or you are not going to get a sense of the reality of a period of time.

Commissioner Sisolak stated he agrees with Vice Chairwoman Batjer, but still asked why we are not using the time period of 1981 – 2010. Or, why is there not a rolling average with adding the more current year and dropping off the oldest year. The number used to compare to do not seem to be valid.

Mr. Peterson stated he agrees and will follow up with why NRCS and National Oceanic and Atmospheric Administration (NOAA) has not updated the dates. Staff may be able to make the comparison if the formula can be obtained. [*Note: Subsequent to the meeting, Mr. Peterson contacted the NRCS and learned that the 70% average basin snowpack figure is based upon data from the 30-year average for the period 1981 – 2010; not 1971 – 2000 as reflected in the PowerPoint presentation. The NRCS website, from which Staff derived data for the PowerPoint presentation for the meeting, correctly reflected data for the more recent period; but the data is erroneously described or labeled on that website as reflecting the years 1971 – 2000. Upon learning of this discrepancy on their website, NRCS personnel said that they were unaware of that error on their website and would correct it.]

Commissioner Sisolak stated that it would be helpful for him to know what is the snowpack compared to last year, or the last five years, or the last decade; we do not have any of that information.

Mr. Peterson stated that Staff does not have those time frames and it is normally not supplied.

Commissioner Sisolak stated is this really 70% bad or is it not as bad as it was the last couple of years.

Mr. Peterson stated that this 70% would have been the same as the 70% last year. To compare to just last year, Staff can try and recreate the report. Staff currently does not have the tool available, but can attempt to get that information for the Commission. Staff will ask the reporting agency to create the information requested and inquire why the figures are not rolled to the next ten year period; if the reporting agency is unable to provide the figures, Staff could do it.

Commissioner Sisolak inquired if the SNWA staff presented their Board of Directors with the last year comparisons.

Chairman Ogilvie stated that he suspected not.

Mr. Peterson stated that a future slide covers the snow/water equivalent graph that compares the last three years. Staff would be happy to take a look at the SNWA presentation to see if there is a slide presented which answers Commissioner Sisolak's question.

Chairman Ogilvie stated that the expectation is that the last ten years have been somewhat of an aberration. Comparing this year to a time period that includes the dramatic drought does not give a true depiction of what the percentage is compared to a longer period of time that would not include the drought. Although the drought has to be included at some point, maybe if the drought is going to be included then you need to take in a fifty year time period to even out the ebbs and flows. This may be the purpose of not including the years 2000 - 2010.

Mr. Peterson stated that Staff will be happy to do some analysis, and bring back comparisons to what the figures would look like if the drought period data is included.

In response to prior Commissioners' inquiries, Mr. Peterson included information on SNOTEL.

Commissioner Coffin stated that he did not notice any fencing around any of the SNOTEL sites. Can fencing be added and if not why not? What happens if something crosses a SNOTEL site?

Mr. Peterson stated that he was not sure why there are no fences, it could be snow drift and wind accumulation might have an effect on the readings.

Commissioner Coffin asked if snow drift can distort the total numbers reported.

Mr. Peterson stated that these are fairly remote sites. In fact, NCRS stated that some of the sites can only be accessed by helicopter. Staff will follow-up on the questions from Commissioner Coffin.

Chairman Ogilvie asked if one foot of snow translated to 1½ inches of water, is that equal to a cubic foot of snow.

Mr. Peterson stated that if one foot of snow over an accumulated area were melted down, the same area would result in 1½ inches of water.

J. Comments and questions 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 other comments or questions from the public.

Todd Farlow, 240 North 19th Street, Las Vegas, Nevada, 89101, had comments. Mr. Farlow noted that a report is given on the water quantity, and asked about a report on water quality.

Mr. Farlow indicated that the Commission should be addressing the quality. In Rifle, Colorado hydro-fracking is taking place and the water is being contaminated to the point where it is not even usable.

Mr. Farlow stated Nevada has production and reserves of natural gas and oil, which is being pumped now. The Commission should think of what will happen when the hydro-fracking companies come to Nevada. It was noted that the “Mother Jones” publication has good information on the topic. Thank you.

K. Comments and questions from the Commission members.

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

L. Selection of the next possible meeting date.

The next meeting was tentatively scheduled for 1:00 p.m. on Tuesday, May 14, 2013, at the Clark County Government Center, in the Commission Chambers, Las Vegas, Nevada.

M. Adjournment.

The meeting adjourned at 1:49 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

George F. Ogilvie III, Chairman