

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM A
FOR MEETING OF MARCH 12, 2019**

SUBJECT:

Conformance to Open Meeting Law.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

Announcement of actions taken to conform to the Open Meeting Law will be reported at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM B
FOR MEETING OF MARCH 12, 2019**

SUBJECT:

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.)

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

None.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM C
FOR MEETING OF MARCH 12, 2019**

SUBJECT:

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

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Staff recommends the Commission approve the minutes of the February 12, 2019 meeting.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

The minutes of the February 12, 2019 meeting is enclosed for your review.

The Colorado River Commission of Nevada meeting was held at 1:30p.m. on Tuesday, February 12, 2019 at the Clark County Government Center in the Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman	Puoy Premsrirut
Vice Chairwoman	Kara J. Kelley
Commissioner	James B. Gibson
Commissioner	Marilyn Kirkpatrick
Commissioner	John F. Marz
Commissioner	Cody T. Winterton
Commissioner	Dan H. Stewart

DEPUTY ATTORNEY(S) GENERAL

Special Counsel, Attorney General	Christine Guerci
Special Counsel, Attorney General	Jennifer Crandell

COMMISSION STAFF IN ATTENDANCE

Chief of Finance and Administration	Douglas N. Beatty
Assistant Director of Energy Services	Gail Bates
Manager, Hydropower Program	Craig N. Pyper
Natural Resources Program Manager	Angela K. Slaughter
Natural Resource Analyst	Peggy Roefer
Natural Resource Analyst	Warren Turkett
Senior Energy Accountant	Gail L. Benton
Senior Energy Accountant	Stephanie Salleroli
Senior Energy Accountant	Richard M. Sanders
Office Manager	Gina L. Goodman
Administrative Assistant III	Kristina Perry
Administrative Assistant II	Joshua Cleveland
Administrative Assistant II	Laterra Graves

OTHERS PRESENT; REPRESENTING

Eide Bailly LLP	Tamara Miramontes
Eide Bailly LLP	Chris Wherman
NV Energy	Mike Hulin
Overton Power District	Mendis Cooper
Overton Power District	Aaron Walker
Overton Power District	Randell Ozaki
Overton Power District	David Anderson
Overton Power District	Omar Vallejo
Overton Power District	Terry Romero
Southern Nevada Water Authority	Jason Bailey
Southern Nevada Water Authority	Scott Krantz

**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF FEBRUARY 12, 2019**

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COLORADO RIVER COMMISSION OF NEVADA
MEETING OF FEBRUARY 12, 2019

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DRAFT

The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premsrirut at 1:34 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Chief of Finance and Administration Douglas Beatty 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 January 8, 2019 meeting.

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

The Commission welcomed James B. Gibson. Commissioner Gibson serves as Clark County Commissioner, served three terms as Mayor of the City of Henderson and was appointed to the Commission by Southern Nevada Water Authority on January 17, 2019.

D. For Possible Action: Public Hearing for the Allocation of Salt Lake City Area Integrated Projects (SLCAIP) hydropower post 2024 including the consideration of and possible action to approve, modify or reject, in whole or in part, the proposed Draft Order dated January 22, 2019 setting forth the recommended allocations of the hydropower resource.

Assistant Director of Energy Services Gail Bates gave a presentation on the background of the SLCAIP Allocation. The Colorado River Commission of Nevada (CRCNV) has existing contracts with the Western Area Power Administration (WAPA) and with its customers for SLCAIP hydropower which expire on September 30, 2024. In 2015, WAPA began the process of allocating post-2024 SLCAIP power and the CRCNV has been offered a contract through September 30, 2057 for the same allocation amounts contained in the CRCNV's current contract with WAPA - **20,851 kW** of capacity and **37,944,500 kWh** of energy (Summer Season) and **27,414 kW** of capacity and **50,267,119 kWh** of energy (Winter Season).

Before the CRCNV commits to taking this resource through 2057, it must ensure that there are customers in Nevada who will take the resource. To that end, the CRCNV began an allocation proceeding in accordance with the process recently revised in NAC 538.455. Staff prepared a Notice and Invitation to Apply for the resource which contained an application form and the criteria to be utilized by the Commission in determining the allocations awarded.

Staff received four (4) Applications by the due date of July 16, 2018 from the following contractors:

City of Boulder City (current SLCAIP contractor);
 City of Las Vegas (new request);
 Overton Power District No. 5 (current SLCAIP contractor); and
 Valley Electric Association (current SLCAIP contractor).

Staff reviewed the Applications and recommended that each applicant receive an allocation. In order for some of the resource to be allocated to the City of Las Vegas, Staff recommended that the three current contractors' allocations be reduced by approximately 7%.

The Commission conducted a public hearing on September 11, 2018 at which Staff provided testimony. The Commission did not reach a decision on the allocation at the September 11, 2018 public hearing.

On December 6, 2018, the City of Las Vegas delivered a Notice to the Commission that it was withdrawing its previously submitted application and would not be seeking an allocation of SLCAIP hydropower.

Staff drafted an Order (Draft Order) which provided for the Commission's three existing SLCAIP contractors, the City of Boulder City, Overton Power District No. 5, and Valley Electric Association, to maintain their existing SLCAIP allocations as follows:

	<u>Summer</u> <u>Energy</u> <u>(kWh)</u>	<u>Summer</u> <u>Capacity</u> <u>(kW)</u>	<u>Winter</u> <u>Energy (kWh)</u>	<u>Winter</u> <u>Capacity (kW)</u>
City of Boulder City	10,075,242	5,537	13,347,215	7,279
Overton Power District No. 5	11,427,163	6,279	15,138,176	8,256
Valley Electric Association	16,442,095	9,035	21,781,728	11,879

Staff provided the Draft Order containing the proposed allocations to each of the existing Applicants on January 22, 2019 and asked for written comments by February 5, 2019. Staff received one comment from Overton Power District No. 5.

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

A full transcript of the Hearing is attached and made a part of the minutes. See Attachment B.

Commissioner Stewart motioned to approve the proposed Draft Order dated January 22, 2019, setting forth the recommended allocations of the hydropower

resource. The motion was seconded by Vice Chairwoman Kelley and approved by a unanimous vote.

E. For Information Only: Status Update on 2019 Legislative Session and related Budget.

Mr. Beatty gave an update on the Commission's bill - Senate Bill No. 76 (SB76 2019) which is currently open. Based on the CRCNV's Bill Draft Request (BDR) 58-207 (one of the Governor's assigned BDR's) this was intended to address potential implications related to Nevada State Question No. 3 – The Energy Choice Initiative which did not pass on November 6, 2018. If the Bill is needed in the future, it will need to be modified to address other concerns as they arise. If not, it will stay pending.

Commissioner Kirkpatrick asked, why not have the Legislative Counsel Bureau (LCB) staff draft it to be on the safe side instead of waiting until the last minute and it is rushed.

Mr. Beatty agreed to investigate further with Staff and LCB.

Mr. Beatty also informed the Commission about an upcoming informational meeting on March 14, 2019, which will be presented by Staff to the Assembly Growth and Infrastructure Committee to give a better understanding of what the Colorado River Commission of Nevada is and how it is operated.

The most important item for the agency currently pending legislative action is the CRCNV budget. The CRCNV budget hearing is scheduled for March 29, 2019. The Commission approved the Agency Requested Budget for fiscal years 2020 and 2021 on July 10, 2018 and that request was submitted to the Governor's Finance Office for inclusion in the Governor's Executive Budget. The Governor's Executive Budget for the CRCNV released to the legislature contains no significant changes from the budget submitted.

F. For Possible Action: Consideration of and possible action on the process for recruitment of an Executive Director by the Commission.

Mr. Beatty updated the Commission on potential process paths and components of those processes outlined by the Staff for the recruitment of an Executive Director and asked for the Commission's opinion on what has been presented.

Chairwoman Premsrirut commended the Staff for their work and asked for the Commissioners input to get the process started and the proposed announcement letter published and available to the public. She asked if there should be a subcommittee made to help fill the position.

Commissioner Kirkpatrick agreed that having a subcommittee with some of the customers as participants and a Staff member would be ideal so that no one is left

out. She does not want the current staff to believe that the Commission thinks they are not worthy of the position.

Commissioner Stewart clarified two paths; internal and external. He agreed a committee would be good for an external search, but an internal candidate recruitment would not require a committee.

Chairwoman Premsrirut stated that to her knowledge the Commission wanted to open the position nationwide so that the best candidate was chosen but not with the intention of not choosing a current employee or local Nevadan. She agreed that there are two paths and asked the rest of the Commission for their opinions.

Commissioner Marz stated that his preference is to look internally first to see who is interested. The people working in the organization have a better historical understanding and cultivated relationships with the customers. Staff would have to teach a new Executive Director the entire process. If there are not any candidates within Staff, then the Commission can broaden the search.

Chairwoman Premsrirut agreed, the Commission should start with an internal application process. If a candidate is not selected, then the Commission will move to phase two.

Commissioner Winterton agreed that it is important to first recognize the talented people that work for the Commission. It is a unique agency. There are relationships and history. Before spending the time and resources the Commission should take a serious look and at least understand what the internal interest is with the Staff. It is a great way to start. After the decision has been reached then the Commission can move forward.

Commissioner Stewart wanted to make sure that the integrity of the process is not compromised if the Commission decided to look internally. He agreed, if the Commission has talent within it does facilitate the transition and helps moving forward without losing anything.

Vice Chairwoman Kelley asked has the Chairwoman, Commissioners, or Staff received any formal or informal inclination to apply. There was no answer.

Vice Chairwoman Kelley states that this is very sensitive because the Commission meets once a month and the burden of a vacated position is borne by the existing staff. She does not disagree that promoting within is a good policy. She asked if there is a process to allow internal candidates to submit their applications within a set timeframe to the appropriate assigned person. If there are no internal candidates, then the Commission can move forward. The Commission could give the ability to execute on a broader strategy if believed that would be the right approach. Chairwoman Premsrirut agreed to set a timeframe for internal candidates to apply and submit a resumé or CV within two weeks.

Commissioner Kirkpatrick asked Special Counsel if the position could be posted internally. If a candidate is not selected, then the process would move to an external candidate that is posted. The Commission could be replacing two positions.

Special Counsel Christine Guerci responded that there are State classified and unclassified websites maintained by the State Human Resource Management division for posting open positions. Position requirements could be attached to that posting in the unclassified service.

Chairwoman Premsrirut asked if the search would start within the agency or open to the public. She is in favor of starting internally with a two-week deadline. Once that deadline is reached and the candidates are reviewed the Commission can move forward. This process will be a shared responsibility with more than just one person making the decision.

Commissioner Marz asked how many people are qualified and know about the agency.

Mr. Beatty explained that there are not a lot of qualified applicants.

Commissioner Marz asked if there are no candidates internally could the Commission hire a search firm to bring 5 or 6 candidates that are qualified.

Mr. Beatty assured him that it could be done, but it would take time.

Commissioner Gibson asked if the job description online reflects what is required of the position in question and is it written well enough to get qualified candidates.

Mr. Beatty explained there is nothing currently on the Commission's website about the specifics of the recruitment for the position, but an announcement was drafted by Jayne Harkins before she left the agency. It has been reviewed and should provide adequate information to select the right candidates. The announcement has not been posted to the Commission or to the State's Human Resource Management's websites.

Chairwoman Premsrirut informed the Commission about the questionnaire provided by Staff with the requirements for the position. It could be completed with what the Commission believes is important to the process and have a better idea of any additional or critical requirements for the position.

Commissioner Kirkpatrick asked if the questionnaire was more for the interview process or the job description.

Mr. Beatty stated that the questionnaire would likely be better suited for the interview process.

Commissioner Winterton asked if the Commission were to invite only internal candidates to apply over the next 14 days to submit a CV or resumé. If after 14 days, the Commission received an application or more they are circulated to the

Commissioners prior to the next meeting. At the next meeting the Commission can decide what to do from that point. If the Commission does not receive anything in 14 days, then the Chairwoman can submit the posting externally.

Vice Chairwoman Kelley agreed with Commissioner Winterton adding that if there are zero internal applications within the 14-day period she would be inclined to give Staff permission to post the announcement on the Website for statewide applicants.

Commissioner Winterton motioned to proceed to invite internal candidates to submit their application within 14 days. If there are no applicants, the Chairwoman will work with Staff to post the unclassified position within the Division of Human Resource Management. Commissioner Stewart seconded the motion and approved by a unanimous vote.

G. For Possible Action: Presentation of the Commission's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2018.

Tamara Miramontes of Eide Bailly LLP, the Commission's external auditor, reported that the audit of the financial statement of the Commission for the year ended June 30, 2018, is completed, materially correct, and the users of those statements can rely on those numbers. The second report of Government Auditing Standards showed a material weakness in relation to audit adjustments.

Commissioner Kirkpatrick thanked Ms. Miramontes for helping over the past year.

Chairwoman Premisrirut agreed that the relationship has improved over time.

H. For Information Only: Update on the activities of the Financial and Audit Subcommittee.

There were no updates at the time.

I. For Information Only: Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings

Special Counsel, Christine Guerci informed the Commission that NRS 233B.050 requires that each state agency do a comprehensive review of its regulations at least once every ten years. To that end, Staff and Legal Counsel will be reviewing the CRCNV's current regulations to determine if any changes are necessary. Any changes needed will be brought to the Commission between June/July 2019 for consideration.

J. 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.

Hydrology Update

Natural Resources Analyst Dr. Warren Turkett gave a 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.

- 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

Commissioner Stewart asked that since Lake Mead is projected to be at an elevation of 1,068 feet, what elevation would determine a shortage.

Mr. Turkett responded in August the 24-month study will be used to forecast the elevation on January 1, 2020. Currently, the elevation is projected to be at 1,067.7 feet. The first tier of shortage is between 1,075 and 1,050, which would be a reduction of 13,000 acre-feet (af) in the upcoming water year from Nevada's annual allocation. If the Drought Contingency Plan (DCP) is activated there would be an additional 8,000 af reduction. A total of 21,000 af reduction is possible.

Taking that information into account, last year the preliminary numbers showed an excess balance of unused apportionment of 56,000 af. If there were to be a reduction from a shortage or if DCP was layered on to the first-tier reduction there would still be an estimate of 30,000 to 35,000 af of unused apportionment.

Drought Contingency Plan Update

Special Counsel, Jennifer Crandell gave an update on the Drought Contingency Plan (DCP) explaining that on November 13, 2018, the Commission approved and authorized the Executive Director to execute the DCP agreements for the Lower Basin, and to execute additional ICS exhibits to the 2007 Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement, that are consistent with the DCP agreements and presented for approval on or before June 30, 2019.

The DCP agreements are in furtherance of efforts to protect critical Lake Powell and Lake Mead elevations. In the Upper Basin, DCP includes drought response operations for Colorado River Storage Project Act reservoirs and the creation of demand management storage capacity. In the Lower Basin, DCP requires additional water contributions to Lake Mead and creates flexibility in operations to incentivize additional

voluntary water conservation to be stored in Lake Mead. The agreements for execution include: 1) the Agreement Concerning Colorado River Drought Contingency Management and Operations ("Companion Agreement"); 2) the Lower Basin Drought Contingency Plan Agreement ("Lower Basin DCP Agreement"); 3) the DCP Contributions and ICS Space Accumulation Limits Sharing Agreement and 4) SNWA's ICS exhibit to the 2007 Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement. Nevada was first to approve DCP, with CRCNV and Southern Nevada Water Authority (SNWA) both approving, the intrastate agreements.

Arizona had a bigger process which required state legislation to obtain approvals for their executive director to sign the DCP agreements. Arizona met the deadline given to us by the Bureau of Reclamation (Bureau). Their legislation was passed and signed by the governor on January 31, 2019, authorizing the director of Arizona Division of Water Resources (ADWR) to sign the agreements on behalf of the state of Arizona.

In California, Metropolitan Water District has approved DCP. No anticipated problems are expected from Needles. Coachella Valley is believed to be ready to sign. The only stakeholder still needing approvals to sign on the DCP is Imperial Irrigation District (IID). Their board had a requirement to see the entire package, including proposed draft federal legislation, before signing off on DCP. An extra requirement was then added concerning obtaining mitigation dollars from the federal government for Salton Sea restoration. IID felt that California Senator Diane Feinstein was able to put some language in the "Farm Bill," but Ms. Crandell is not completely sure. IID's board is waiting for money from the Farm Bill and the board felt confident of getting funding so that DCP could be approved. The IID board has seen the draft federal legislation. IID delayed voting on DCP while waiting for the Salton Sea financing for the restoration.

Federal Register 84 FR 2244 was posted by the Bureau on February 6, 2019. Ms. Crandell read from the Notice:

"The DCPs remain unfinished at this time, and given the current unfinished status of the DCPs, combined with declining reservoir storage in the Basin, the Department is considering potential federal action to revise Colorado River operations in an effort to enhance and ensure sustainability of Colorado River water supplies for the southwestern United States.

This Notice requests input from the Governors of the Basin States (and appropriate consultation with such state representatives as each Governor may designate) regarding recommendations for potential Departmental actions in the event that the DCPs cannot be completed."

Input will be accepted beginning March 4, 2019, for 15 days ending March 19, 2019, for information to come from the Lower Basin State Governor representatives on what course of action the federal government should take if DCP is not completed. The drive is to make sure that DCP is completed and all the documents have been

executed, and that federal legislation is in place so that new operations can be included in this upcoming year, as preparation for the Annual Operating Plan is generally completed by August of the year. The big push is to complete DCP before the Annual Operating Plan so implementation of DCP can start in 2020. The hope is to have the agreements completed by March 19th so that the federal notice can be withdrawn.

Chairwoman Premsrirut asked if the Federal Registry notice was published because the Imperial Irrigation District did not meet the deadline of January 31, 2019, given by Commissioner Burman of the Bureau. Ms. Crandell responded, that is correct. Commissioner Burman stated at the annual Colorado River Water Users Association meeting held in December 2018 that she was considering taking federal action and she did.

Chairwoman Premsrirut stated that there currently is one constituent that has not executed and if there is no execution by March 19, 2019, what could be expected. Ms. Crandell explained that March 19th is the deadline for comments from the Basin states. However, the parties to the agreements do not actually know what federal action the Bureau is contemplating if the deadline is not met.

Ms. Crandell's assumption is the Bureau's action would look a lot like DCP cuts to water deliveries.

It is unclear as to what Commissioner Burman considers "complete DCP." Arizona has 85 stakeholders and a whole series of approximately 15 internal Arizona agreements that they have to complete to get this implemented. California has internal agreements to complete, as well. All of the states have Intentionally Created Surplus (ICS) Exhibits that have to be completed. ICS Exhibits articulate what each state or each contractors' measures are taken to create DCP water. The ICS Exhibits are still in process, so the work is not done. We do not know if the Commissioner requires that all these steps also be complete, to be "done."

In terms of the intrastate agreements, those agreements are complete. The draft federal legislation is complete, as well. The Bureau is looking for a vehicle to tack the federal legislation on. There was a Lands Bill that was thought might work as a vehicle, and a big push in the middle of the month was made to try to get the draft legislation completed. The coordinating committee did finish drafting that federal legislation. Unfortunately, it did not work out to get it in the Lands Bill. Commissioner Burman is working on Capitol Hill looking for a suitable Bill to get federal legislation in place.

Commissioner Stewart asked: "since Commissioner Burman is considering federal action, is there a chance that if the one entity finalizes DCP approvals, that federal action could be avoided? Completion could help avoid some bad consequences." Ms. Crandell responded "yes," if things were to get moving within two weeks, any Bureau action could result in unintended consequences, would be avoided. Issuing the federal notice is a gamble for the Bureau and the Department of Interior as to what could happen in those 15 days.

Commissioner Stewart asked if there is a chance that the Bureau could withdraw the notice before March 4, 2019 and avoid the 15-day comment period. Ms. Crandell answered it could be possible. She is not certain as to what Commissioner Burman is looking for in terms of a definition for "complete." Is it just the intrastate agreements or completion of all the interstate agreements? She has not heard from the Bureau as to what is considered "complete." There would probably be a strong motivation for the Bureau to withdraw the notice. Board members throughout the Lower Basin are concerned due to the Federal Notice.

Chairwoman Premsrirut commented that DCP is probably one of the most important issues facing the Commission and the State of Nevada. DCP is a herculean process with so many moving parts.

Chairwoman Premsrirut thanked Ms. Crandell on behalf of herself and the Commission for being on the frontlines of this very arduous process. She feels that Ms. Crandell's tenacity, background, and relationship with the key players are very vital in the process. The chairwoman is very comfortable and confident in Ms. Crandell spearheading this on behalf of the Commission.

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

K. 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 comments or questions from the public.

There were none.

L. 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.

M. Selection of next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, March 12, 2019, at the Clark County Government Center in the Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

N. Adjournment.

The meeting was adjourned at 2:45 pm.

Douglas Beatty
Chief of Finance and Administration

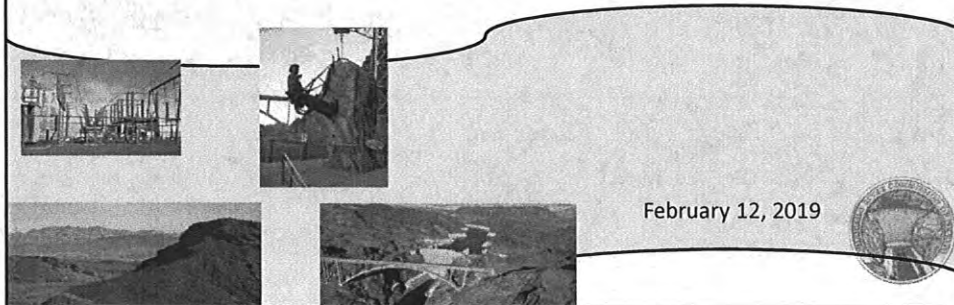
APPROVED:

Puoy Preamsirut
Chairwoman

DRAFT

Colorado River Commission of Nevada (CRCNV)

Salt Lake City Area Integrated Project (SLCAIP) Post-2024 Allocation Hearing



SLCAIP Information

- Initial hydroelectric generation began in 1963.
- SLCAIP is comprised of two Utah Dams, three Colorado dams and one Wyoming dam, and 5 additional power plants.
- Total of 11 powerplants with a combined installed capacity of 1,816 MW.
 - Installed Capacity at Hoover is 2,074 MW
- CRC's federal allocation is approximately 1.5% of the total capacity.

SLCAIP Allocations

- CRCNV's federal contract and state customer contracts expire September 30, 2024.

CRCNV Current Allocations of SLCAIP Hydropower

<u>Contractor</u>	<u>Winter Capacity (kW)</u>	<u>Summer Capacity (kW)</u>	<u>Annual Energy (kWh)</u>
City of Boulder City	7,279	5,537	23,422,458
Overton Power District No. 5	8,256	6,279	26,565,338
Valley Electric Assoc.	11,879	9,035	38,223,823
CRCNV Total	27,414 kW	20,851 kW	88,211,619 kWh

Updated 12/08/2017

3

Federal Contract Process

- Federal contract issued to CRCNV on March 9, 2018.
- About half of the Federal Contractors have already signed their post-2024 contract.
 - The CRC has not signed pending the completion of the current SLCAIP customer allocation process.

4

CRC Allocation Process

- April 4, 2018: Staff issued a Notice of Public Meeting and Request for Comments on the draft Notice and Invitation to Apply, draft allocation criteria, and draft application.
- May 15, 2018: Public Meeting
- June 12, 2018: Commission approved the draft Notice and Invitation to Apply, allocation criteria, and application.

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CRC Allocation Process

- June 14, 2018: Staff issued the Notice, allocation criteria, and application
- July 16, 2018: Staff received four applications.
- Staff received three applications from existing SLCAIP Contractors:
 - City of Boulder City
 - Overton Power District No. 5
 - Valley Electric Association
- Staff also received an application from the City of Las Vegas

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Staff Recommendations

- At a hearing held on September 11, 2018, staff recommended that the current contractor allocations be reduced by approximately 7% to create a resource pool for the City of Las Vegas.
- The Commission did not reach a decision on the allocation and requested additional information addressing the impact on current contractors if their allocations were reduced.

7

Further Actions

- Staff reached out to all four applicants and issued data requests to confirm the cost impact on existing contractors of receiving a reduced allocation and the benefit to the City of Las Vegas of receiving a new allocation.
- Staff received a letter on December 6, 2018 from the City of Las Vegas withdrawing their request for an allocation “after considering some of the economics and wastewater treatment load factors.”

8

Revised Staff Recommendation

- Staff recommends maintaining the existing allocations of the three remaining SLCAIP contractors.

Applicants	Summer		Winter	
	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	9,035	16,442,095	11,879	21,781,728
Total:	20,851	37,944,500	27,414	50,267,119

9

Draft Order

- Staff submitted the Draft Order to the Applicants for review on January 22, 2019 and received one comment from Overton Power District No. 5.

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Questions?



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STATE OF NEVADA
COLORADO RIVER COMMISSION
OF NEVADA

AGENDA ITEM D
LAS VEGAS, NEVADA
TUESDAY, FEBRUARY 12, 2019

REPORTED BY: JOHANNA VORCE, CCR NO. 913

JOB NO.: 525257

1 COMMISSION MEETING, AGENDA ITEM D, COLORADO RIVER
2 COMMISSION OF NEVADA, taken at the CLARK COUNTY GOVERNMENT
3 CENTER IN THE COMMISSION CHAMBERS, 500 South Grand Central
4 Parkway, Las Vegas, Nevada 89155, on Tuesday, February 12,
5 2019, at 1:36 p.m., before Johanna Vorce, Certified Court
6 Reporter, in and for the State of Nevada.

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8 APPEARANCES:

9 For the Commission:

10 PUOY K. PREMSRIRUT, Chairwoman
11 KARA J. KELLEY, Vice Chairwoman
12 JAMES G. GIBSON, Commissioner
13 MARILYN KIRKPATRICK, Commissioner
14 JOHN F. MARZ, Commissioner
15 DAN H. STEWART, Commissioner
16 CODY T. WINTERTON, Commissioner

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19 Also Present:

20 DOUGLAS BEATTY
21 CHRISTINE GUERCI-NYHUS
22 GAIL BATES
23 DAN REASER
24 MENDIS COOPER

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1 LAS VEGAS, NEVADA; TUESDAY, FEBRUARY 12, 2019

2 1:36 P.M.

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4 (The Court Reporter was relieved of her duties
5 under NRCP 30(b)(4).)

6 MS. PREMSRIRUT: Doug, next item on the agenda.

7 MR. BEATTY: Agenda Item D.

8 Commissioner Gibson, welcome and don't miss a
9 meeting.

10 Public hearing for the allocation of Salt Lake
11 City Area Integrated Projects hydropower post 2024 including
12 the consideration of and possible action to approve, modify,
13 or reject, in whole or in part, the proposed Draft Order
14 dated January 22nd, 2019 setting forth the recommended
15 allocations of the hydropower resource.

16 What this is, is this is a followup item from the
17 September 2018 commission meeting. In September, the
18 commission conducted a hearing exactly like this one for the
19 allocation of this resource. It ended in two motions, one
20 to approve the proposed draft order at the time of the
21 August 28th -- 21st draft order. That motion failed.

22 There was a second motion to leave the allocations
23 as they were, excluding the recommended -- recommended
24 allocation to the City of Las Vegas. That motion failed.

25 Staff was asked to take a look at the criteria,

1 contact the applicants, and run this back on the commission
2 agenda, which we have done. And this has brought us back
3 here for a public hearing. And turn this over to the Chair
4 Woman.

5 MS. PREMSRIRUT: Thank you, Doug.

6 This is the public hearing portion of Agenda Item
7 D. I believe that this -- we also have a court reporter
8 present. At this time, I believe staff will be making a
9 presentation.

10 Good afternoon, Gail.

11 MS. BATES: Thank you. Good afternoon.

12 Just to quickly reacquaint the commission about
13 what the SLCAIP resource is.

14 SLCAIP actually began generating hydropower back
15 in 1963. Even though we tend to think of it as a single
16 project, it's actually comprised of multiple facilities.
17 There are two Utah dams, three Colorado dams, one Wyoming
18 dam, and five additional power plants. And those total --
19 we have a total of 11 plants with a combined installed
20 capacity of 1,816 megawatts. And just to give you a frame
21 of reference, it's a little smaller than -- than Hoover is.
22 Hoover, the installed capacity is 2,074 megawatts.

23 Our CRC's federal allocation is actually very
24 small. Of the total plant, we have about one and a half
25 percent of the total project. Our federal contracts and the

1 contracts that we have with all of our customers expire on
2 September 30th, 2024. And we have three current
3 contractors, City of Boulder City, Valley Electric
4 Association, and Overton Power District No. 5.

5 The new federal contract, beginning October 1 of
6 2024, was actually issued to us in 2018. About half of the
7 federal contractors have already executed their federal
8 contracts. The CRC has not. And the reason why is because
9 we have been going through this allocation process, and we
10 want to make sure we have customers who are willing to
11 accept the resource before the commission contracts with the
12 federal government to purchase it.

13 So we have been going through a rather lengthy
14 process beginning last April. April of 2018 we issued a
15 notice of public meeting and request for comments on the
16 draft notice and invitation to apply, the draft allocation
17 criteria, and draft application.

18 In May of 2015, there was a public meeting to
19 review all of those draft documents. And June 12th, 2018
20 the commission approved all the documents, the draft notice,
21 the allocation criteria, and the application.

22 On June 14th, we issued a no- -- issued the
23 notice, allocation criteria, and application formally, and
24 we had several applicants apply for the resource. The three
25 existing applicants all applied, Valley Electric, Overton

1 Power District No. 5, and the City of Boulder City. But we
2 also had a new applicant, the City of Las Vegas.

3 The City of Las Vegas, a current Hoover contract,
4 but they had never had SLCAIP before.

5 There was a hearing on -- held on September 11th,
6 and staff had recommended that the current allocations of
7 the existing contractors be reduced by 7 percent in order to
8 create a resource pool for the City of Las Vegas.

9 The commission had a very spirited debate during
10 that hearing, and did not reach a decision on the allocation
11 but instead requested some additional information addressing
12 the impact on current contractors of losing 7 percent of the
13 resource. And so staff went to work, and we reached out to
14 the applicants.

15 We issued some data requests to confirm the cost
16 impacts on the existing contractors of losing a portion of
17 their allocation. And we also issued a request to the City
18 of Las Vegas requesting that they identify the benefit of
19 receiving an allocation.

20 Staff received a letter on December 6th, 2018 from
21 the City of Las Vegas withdrawing their request for an
22 allocation, after considering both of the economics of
23 resource and also a potential reduction in the load for
24 which they would be using their resource. So we received a
25 letter withdrawing. That should be in your -- in your

1 briefing package.

2 So we're back to our three existing contractors,
3 and staff has since revised its recommendation to maintain
4 the allocations of those three existing contractors just as
5 they are today.

6 Process-wise, we submitted the draft order to the
7 applicants for their review on January 22nd, and we received
8 one comment from Overton Power District No. 5 basically
9 thanking the commission and staff for their thorough review
10 and process.

11 Are there any questions?

12 MS. PREMSRIRUT: Commissioner Stewart.

13 MR. STEWART: So all three have committed to the
14 40-year term, 40-year contract that goes along with their
15 application? If it is approved, they know they're in it --
16 in it for the long term?

17 MS. BATES: Yes, I think that is correct. I think
18 they know they're in it for the long term. We have not gone
19 through the contract negotiation process, but they did apply
20 for the resource for the whole term.

21 MR. STEWART: Okay.

22 MS. PREMSRIRUT: Any questions? Comments?

23 Commissioner Kelley.

24 MS. KELLEY: Hi. I probably should have asked
25 this in the previous meeting where we discussed it. I just

1 want some clarification because I think I either am getting
2 it wrong or --

3 So in the agenda items, just specifically for the
4 one posted for today's meeting, third paragraph from the
5 bottom, it says that staff recommended three current
6 contractors' allocations be reduced by approximately 7
7 percent.

8 Isn't this though new, a new contract?

9 MS. BATES: The -- the allocations would take
10 effect in -- for power deliveries beginning October 1st of
11 2024. But when we renew the federal contract, we basically
12 renewed for the current amount of power that we have today.

13 MS. KELLEY: Right. But it -- there's no specific
14 or implied entitle- -- and I -- and I don't want anybody to
15 take this wrong. I'm really just trying to clarify.

16 There's no specific or implied entitlement for the
17 three current customers to have access to the new contract,
18 right?

19 MS. BATES: That's the -- the reason I think for
20 the allocation process is we're now determining who is
21 entitled to receive power beginning October 1st, 2024.

22 MS. GUERCI-NYHUS: If I could jump in a second.

23 MS. KELLEY: Please.

24 MS. GUERCI-NYHUS: This is Special Counsel
25 Christine Guerci.

1 The three contractors had a statutory right to
2 renew in the prior round. They -- in the legislature, the
3 state legislature in the 1990s had given the current
4 contractors a right of renewal, which they did for the 20
5 years, which will expire 2024. So coming up on the 2024
6 cycle, there's no renewal rights. No one has any vested
7 rights, so we did the open application and the open process.

8 MS. KELLEY: Okay. So I would just -- just for
9 clarity for future CRCs, I think it would be important. I
10 just take issue with saying recommended that the three
11 current contractors' allocations be reduced by approximately
12 7 percent. It sounds to me like it's an entitlement, and it
13 doesn't sound like it is in this sense. So I just think a
14 modification when you're doing the minutes would be
15 appropriate. Not that I have any concern at all about the
16 application process or public vetting process and how staff
17 is determined and redetermined. In fact, I appreciate you
18 being patient with the commission as we have had to deal
19 with these issues. So thank you.

20 MS. PREMSRIRUT: Thank you, Commissioner. Thank
21 you, Commissioner Kelley.

22 Any additional questions or comments for Gail?

23 Thank you very much.

24 MS. BATES: Thank you.

25 MS. PREMSRIRUT: At this time, the commission will

1 hear from any of the applicants.

2 Are there any applicants that wish to address the
3 commission at this time?

4 MR. REASER: Good afternoon, Madame Chair, members
5 of the commission.

6 Dan Reaser with the law firm of Fennemore Craig on
7 behalf of the City of Boulder City.

8 MS. PREMSRIRUT: Good afternoon.

9 MR. REASER: We very much appreciate the process
10 that the commission and the staff have gone through. We
11 support the staff's recommendation, and we ask that the
12 commission approve the allocation for Boulder City. We'd be
13 happy to answer any questions you might have on our
14 application.

15 MS. PREMSRIRUT: Thank you very much.

16 Do any commissioners have any questions for
17 Mr. Reaser?

18 MR. REASER: Thank you.

19 MS. PREMSRIRUT: Thank you.

20 THE COURT REPORTER: And I'm sorry. What was
21 your name one more time, sir?

22 MR. BEATTY: Reaser, R-e-a-s-e-r.

23 THE COURT REPORTER: Thank you.

24 MS. PREMSRIRUT: Yeah. There's also a letter from
25 Mr. Reaser dated July 16th, in our packet as well, 2018.

1 Are there any additional applicants?

2 Good afternoon, sir.

3 MR. WINTERTON: Hi. I'm Mendis Cooper. I'm the
4 general manager Overton Power District No. 5, and we've been
5 part of this process since the construction of Glen Canyon
6 Dam. This is a very valuable resource to us. And I have
7 appreciated, during this time, the opportunity that we've
8 had to -- to work with staff and the commission. I've --
9 I've worked closely with your staff and I've appreciated
10 the -- the work that they've done and how thorough they've
11 been. And we've been supportive of this process and just
12 want to say thank you for your help and your consideration
13 to our comments up to this point, and -- and we hope for
14 approval. Thank you.

15 MS. PREMSRIRUT: Thank you very much.

16 Any additional representative or applicant?

17 Okay. At this time, the commission will hear from
18 any members of the public regarding Agenda Item D.

19 Do we have any members of the public that wish to
20 address the commission? Please do so at this time.

21 Seeing and hearing none, at this time we will
22 close the public portion, the public hearing portion of this
23 agenda item, and the commission can commence deliberations.

24 If there are any comments from the commissioners.

25 MR. STEWART: I don't see any comments. If that's

1 the case, no comments.

2 I would go ahead and move for approval.

3 MS. PREMSRIRUT: Yeah. I just have one comment,
4 and it's to echo not only the -- the thoroughness of staff
5 and them taking, you know, a lot of time and effort to
6 address our spirited debate that -- that ensued, but also
7 for the applicants themselves being here and addressing the
8 commission really shows us that you value the resource and
9 you've taken the time to come and see us today, and that --
10 that is -- is very meaningful for us, for me especially.

11 There was a motion to approve?

12 MS. KELLEY: I will second it.

13 MS. PREMSRIRUT: Okay.

14 MS. KELLEY: And just a comment to extend on
15 yours. I appreciate -- Overton, every time you've been
16 telling us thank you throughout the entire process. And
17 certainly, I know that we make the final decision. I
18 acknowledge how hard the staff works and their
19 contributions. It's appreciated, so thank you.

20 MS. PREMSRIRUT: Thank you, Commissioner Kelley.

21 So we have a motion to approve the proposed draft
22 order dated January 22nd, 2019 setting forth the
23 recommended allocations of the hydropower resource.

24 All in favor?

25 (Commissioners join in ayes.)

1 All opposed?

2 Motion carries unanimously. Thank you.

3 (Agenda Item D was concluded at

4 1:50 p.m.)

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Colorado River Commission of Nevada

Hydrology and Water Use Update February 12, 2019

Summary

Lake Powell

- Water Year 2019 unregulated inflow is forecasted at 71% of average.
- Water Year 2019 Upper Basin cumulative precipitation is 106% of average.

Lake Mead

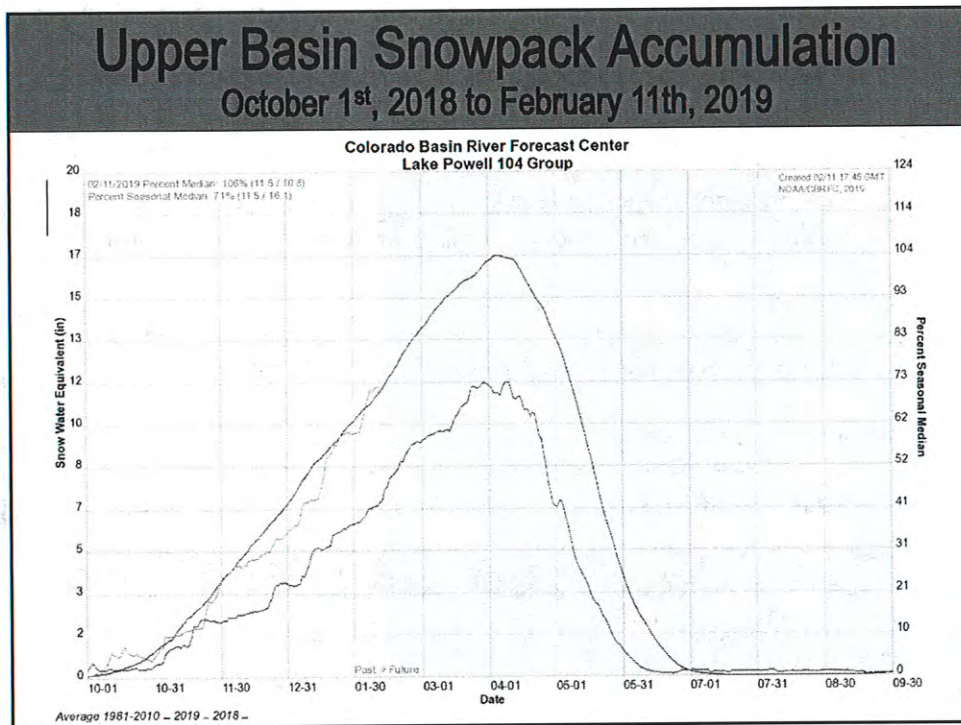
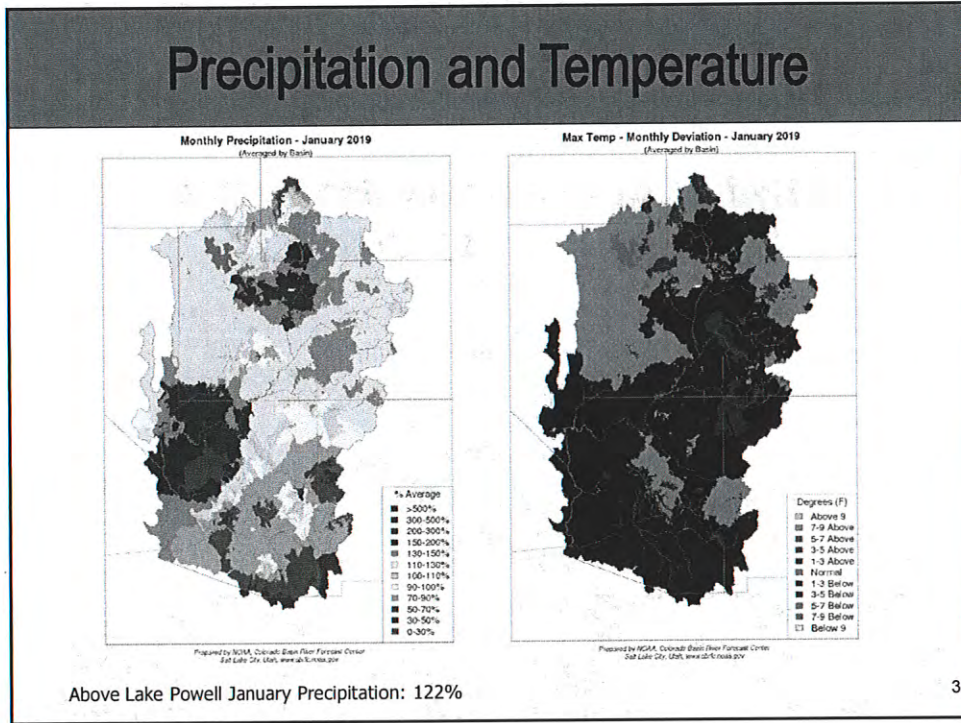
- Lake Mead is projected to decrease about 18 feet by end of calendar year.
- A Lower Basin shortage is projected for Water Year 2020.

Nevada Water Supply

- Southern Nevada has 7 years of water supply banked.
- **In 2017, Southern Nevada used 19% less than its annual allocation.**

Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,085.8	40%	-2.0 ft
Lake Powell	3,574.7	39%	- 43.3 ft

Data retrieved February 11th, 2019



Water Use In Southern Nevada

Southern Nevada Water Use 2017 Actual Use in Acre-Feet

Nevada Annual Allocation	300,000
Diversion	470,271
Return Flows	226,846
Consumptive Use	243,425
Unused Allocation Available for Banking	56,575 (19%)

Southern Nevada Water Use Diversions Return Flows Consumptive Use

January to December 2018	479,216	235,150	244,065
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Banked Water (through end of 2017) Acre-Feet

Ground Water Recharge in So. Nevada	359,045
Banked in Lake Mead	582,313
Banked in California and Arizona	931,226
Total	1,872,584

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Unregulated Inflow, Current and Projected Reservoir Status

Projected unregulated inflow to Lake Powell Acre-Feet % Average

Water Year 2019	7,698,000	71%
April thru July 2019	5,300,000	74%

Reservoir	Current Elevation	Current Storage Acre-Feet	Current % Capacity	Projected Elevation on 1/1/2020 ¹
Lake Mead	1,085.8	10,498,000	40%	1,067.7
Lake Powell	3,574.7	9,579,000	39%	3,566.8

Data retrieved February 11th, 2019

¹ Based on Reclamation's January 2019 24 Month Study.

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**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D
FOR MEETING OF MARCH 12, 2019**

SUBJECT:

For Possible Action: Consideration of and possible action to appoint Deputy Executive Director Eric Witkoski as Executive Director of the Commission or to continue or modify the search for an Executive Director.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Consideration of Eric Witkoski to fill the vacant Executive Director Position.

FISCAL IMPACT:

None.

At the February 12, 2019 meeting of the Colorado River Commission of Nevada, Staff was directed to allow a two week period for internal candidates for the Executive Director position to provide a resume for the Commission to consider. At the conclusion of the two week period, only one resume had been provided. Eric Witkoski, the current Deputy Executive Director provided a resume and letter of interest as requested. No other internal candidates responded. A copy of the resume and letter of interest is included in the briefing material.