

The meeting was held at 1:00 p.m. on Tuesday, May 14, 2013 at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Commissioner	Bob Coffin
Commissioner	Duncan R. McCoy
Commissioner	Steve Sisolak

COMMISSIONERS IN ATTENDANCE VIA TELECONFERENCE

Commissioner	J. Brin Gibson
Commissioner	Berlyn D. Miller

COMMISSIONERS NOT IN ATTENDANCE

Vice Chairwoman	Marybel Batjer
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DEPUTY ATTORNEYS GENERAL

Senior Deputy Attorney General	Jennifer T. Crandell
Senior Deputy Attorney General	Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director	Jayne Harkins, P.E.
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, Natural Resources Group	McClain L. Peterson
Senior Energy Accountant	Richard M. Sanders
Office Manager	Judy K. Atwood
Administrative Assistant IV	Brenda Haymore
Administrative Assistant II	Melissa Dibert

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
Southern Nevada Water Authority	Scott Krantz
Southern Nevada Water Authority	Tom Maher
State of Nevada Purchasing Division	Kimberlee Tarter
State of Nevada Purchasing Division	Heather Moon

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF MAY 14, 2013**

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The Colorado River Commission meeting was called to order by Chairman George F. Ogilvie III at 1:07 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Executive Director Jayne Harkins 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 will 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 April 9, 2013 meeting.

Commissioner Duncan R. McCoy moved for approval of the minutes. The motion was seconded by Commissioner Bob Coffin and approved by a unanimous vote.

D. For Possible Action: Consideration of and possible action to approve the Third Amended and Restated Agreement for Interstate Water Banking among the Arizona Water Banking Authority, the Southern Nevada Water Authority, and the Colorado River Commission of Nevada (Commission).

Ms. Harkins gave a summary presentation of the Interstate Water Banking Agreement. A copy of the presentation is attached and made a part of the minutes. (See Attachment A.)

In November 1999, the Secretary of the Interior adopted regulations (43 C.F.R. Part 414, Offstream Storage of Colorado River Water and Development and Release of Intentionally Created Unused Apportionment in the Lower Division States, 64 Fed. Reg. 59006) authorizing the Secretary and the Bureau of Reclamation to enter into Storage and Interstate Release Agreements with authorized entities in storing states and consuming states. Arizona is a storing state and Nevada is a consuming state. The Arizona Water Banking Authority (AWBA), the Southern Nevada Water Authority (SNWA), and the Commission are all authorized entities. The regulations contemplated separate interstate banking agreements that would establish the fiscal and operational aspects of water banking transactions.

Utilizing these federal regulations, on June 12, 2001, the Commission approved an Agreement for Interstate Water Banking among the AWBA, the SNWA, and the Commission, for the storage and recovery of Colorado River water in Arizona. On December 16, 2004, in a joint meeting of the SNWA and the Commission, an amendment was approved which guaranteed Nevada access to 1.25 million acre-feet of storage credits conditioned on SNWA making payments totaling \$330 million and authorizing

payment of the AWBA's actual costs to recover the stored water. Payments included an initial payment of \$100 million, and \$230 million to be paid through annual payments of \$23 million during the years 2009 through 2018.

On March 31, 2009, the Commission approved a second amendment that provided the AWBA and the SNWA more flexibility in managing the storage and recovery of long-term storage credits of Colorado River water and established an additional method for the SNWA to recover long-term storage credits through recovery and exchange, in order to minimize recovery costs. It was anticipated that this agreement would be effective until the credits were fully utilized or until June 1, 2060, whichever came first. In December 2010, the AWBA and the SNWA agreed to defer payments of the annual 10-year \$23 million obligation until 2015 and to make the payments through 2024.

This third amendment to the agreement will relieve the SNWA from the obligation to pay AWBA the initially anticipated \$217,315,000. In exchange, the AWBA will complete any additional storage of Colorado River water on a pay-as-you-go basis. In addition to paying for any future storage, SNWA will pay AWBA an annual administrative fee of \$20,000 for maintenance of the existing storage credits.

To date, the SNWA has paid the AWBA \$122,738,945, including payments of \$112,685,000 under this agreement, for a total of 600,651 acre-feet of Colorado River water stored in Arizona for the benefit of Nevada.

Interstate water banking and recovery in Arizona is an important component of the SNWA's Water Resource Plan and is used in conjunction with Nevada's Colorado River allocation, local groundwater, conservation, Colorado River augmentation, and drought response to meet demands.

The Commission is authorized by NRS 538.161 to enter into this agreement.

Staff recommended the Commission approve the agreement and authorize the Executive Director to sign it on behalf of the Commission.

Chairman Ogilvie asked if the SNWA's board and the AWBA had approved this agreement.

Ms. Harkins stated that both agencies had approved this agreement. The AWBA approved the agreement in March of 2013 and the SNWA approved the agreement in April of 2013.

Commissioner Coffin stated that 20 years ago he was a member of the Legislature and recalled passing an authorization for this agreement to be approved initially. He also asked whether, during the process of using injection wells to store this water, any follow up testing was done on the banked water to verify the safety and chemical makeup of the water when it is taken out of the bank for use.

Ms. Harkins stated that to her understanding, the water used from the Arizona bank has been deemed safe. She also stated that the water stored under this agreement in Arizona surface basins is allowed to percolate into groundwater reservoirs as opposed to using injection wells for groundwater storage.

Commissioner Coffin stated that the method used would provide a natural filtration process for the water as it seeps into the underground reservoirs. He also stated that because it is stored underground, it is difficult to verify that the amount of water banked for Nevada is physically in that basin, but that the agreement guarantees that the amount of water owed to the State will be returned to Nevada upon request.

Commissioner Sisolak asked if the SNWA had delayed payments due under this agreement.

Ms. Harkins stated that payments were delayed at one time, but under the new agreement those payments would be removed in lieu of pay-as-you-go payments.

Commissioner Sisolak asked for clarification on whether or not those payments would be considered forgiven.

Ms. Harkins stated that the agreement that delayed those payments had them resuming in 2015, but under this new agreement, those payments would be replaced by the pay-as-you-go terms of this new agreement.

Commissioner Sisolak asked how the amount of savings was calculated for the report.

Ms. Harkins stated that the \$217.3 million obligation included the delayed payments of approximately \$138 million plus the fees associated with recovery and storage under the current agreement.

Commissioner McCoy asked for clarification on how the banked water in the Brock Reservoir is used when needed.

Ms. Harkins stated that the water banking totals listed in the report for Brock Reservoir are actually stored in Lake Mead, so if needed, the SNWA could draw the water from Lake Mead.

Commissioner McCoy asked if the water banked with the various organizations listed in the report is also stored at Lake Mead.

Ms. Harkins stated that it varies with each agency. Some agency supplies are stored in groundwater reservoirs. To use those credits, the banking agency would draw water for their agency's use from the groundwater reservoirs and subtract that amount of water from the supply pulled from the Colorado River for that year. A similar volume of water would then be diverted from the river into Lake Mead where it would be used for Nevada's supply.

Commissioner Coffin stated that it is important to note that this agreement creates a physical exchange rather than a virtual exchange as was done with the California Interstate Banking Agreement. The water credits for Brock Reservoir are stored in Lake Mead.

Commissioner McCoy stated that this agreement provides mechanisms to account for all of the water banked through this agreement.

Manager of the Natural Resources Group, McClain Peterson, stated that SNWA received 400,000 acre-feet of water credits in Lake Mead in exchange for providing funding for the construction of Brock Reservoir. This is a small percentage of the total amount to be conserved in system storage over the life of Brock Reservoir.

Chairman Ogilvie asked if there were any further questions or comments from the Commissioners. There were none.

Commissioner Coffin moved for approval of the agreement for Interstate Water Banking among the AWBA, the SNWA, and the Commission. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

E. *For Possible Action:* Consideration of and possible action to approve: (1) a Network Integration Transmission Service Agreement; (2) a Distribution Only Service Agreement; and (3) a Transmission Reduction Plan Letter Agreement among Nevada Power Company d/b/a NV Energy, the City of North Las Vegas, and the Commission.

Gail Bates, Manager of Energy Services, gave a summary of the Transmission Service Agreements.

The Commission and the SNWA have an Electric Power Supply Agreement that requires the Commission to serve certain electrical loads of the SNWA and member agencies that are embedded within NV Energy's transmission and distribution network. These are commonly referred to as the Network Loads. Under the Electric Power Supply Agreement, the SNWA and its members can secure some or all of their own energy resources before they purchase energy from the Commission but the Commission has to be ready to serve the load if necessary. In order to fulfill its responsibilities under the contract, the Commission has to secure delivery contracts which enable the use of NV Energy's transmission and distribution network. There are nearly identical sets of agreements in place today for delivering power to the Las Vegas Valley Water District, the City of Las Vegas, the City of Henderson, and the Clark County Water Reclamation District.

The City of North Las Vegas (City) is another SNWA member agency that is planning to join the energy supply program and will need to have power delivery contracts in place. The monthly rates and charges under these agreements are all set forth in tariffs that are approved by either the Federal Energy Regulatory Commission or the Public Utilities

Commission of Nevada. The Distribution Only Service Agreement also contains an exit fee which is designed to protect NV Energy's remaining customers from economic harm due to the City's decision to secure energy from an alternative provider. The exit fee will be paid by the City.

Staff recommended the Commission approve the agreements and authorize the Executive Director to sign them on behalf of the Commission.

Commissioner Sisolak asked if the City would be liable for the \$2 million exit fee.

Ms. Bates stated that is correct.

Commissioner Sisolak asked if this fee would be paid as a General Fund expenditure.

Ms. Bates stated that Staff is not currently aware of how the City will pay this fee. The City has not yet executed this agreement as it will be added to their late May or early June Board agenda. Because of this, the accounting mechanisms that will be used have not yet been established. These agreements are being introduced at this Commission meeting in preparation for the City to consider them at its next available Board meeting.

Commissioner Sisolak asked what would happen if the City were to not have the \$2 million exit fee available.

Ms. Bates stated that in that case, the City would not be able to join the program covered in these agreements and would have to remain as a retail customer of NV Energy. In order to exit its current agreement with NV Energy, the City would be required to commit to paying the exit fee.

Commissioner Sisolak stated that he is aware they would be required to pay, but is concerned that the City would not be able to generate the funds needed to pay the fee. The City is currently involved in payment plans to cover fees associated with other expenses. If the City would not be able to meet the payment requirements set forth by NV Energy, would the Commission be responsible for the payment?

Ms. Bates stated that the Commission would not be responsible for making any payments on behalf of the City. NV Energy would hold the City responsible; and if payment could not be made NV Energy would keep the City as a retail customer under the current agreement.

Chairman Ogilvie asked if the exit fee would be a direct payment from the City to NV Energy.

Ms. Bates stated that is correct.

Commissioner Coffin asked how much money the City would be able to save under this new agreement.

Ms. Bates stated that the benefit of the program would be measured by the power that can be purchased over time as opposed to a cost benefit savings. The program would allow the City to purchase power for a longer period of time and stabilize their rates during the period of purchase. This will allow the City to budget more effectively for a longer period of time and to better understand the cost associated with their power needs. She stated that some customers under this program have saved money and the potential is there for the City to also save during the time of the agreement.

Commissioner Coffin asked if NV Energy would still be responsible for the power delivery aspect of the power purchased under this agreement.

Ms. Bates stated that NV Energy would still provide power delivery service to the City and then charge for transmission over their wires.

Commissioner McCoy asked if this agreement would only cover power used at the City's water treatment plants.

Ms. Bates stated that is correct.

Commissioner McCoy asked for clarification that no other entities in the City would be affected by this new agreement.

Ms. Bates stated that is correct.

Commissioner Gibson stated for the record that his law firm currently represents the City of North Las Vegas in a matter unrelated to the current agenda item. He is not involved with the representation provided by his law firm, and therefore does not see a conflict of objectivity or impartiality in regards to this agenda item. Because of this, he will participate in the voting on this item.

Commissioner Coffin moved for approval of the recommended (1) Network Integration Transmission Service Agreement; (2) Distribution Only Service Agreement; and (3) Transmission Reduction Plan Letter Agreement among NV Energy, the City of North Las Vegas, and the Commission. The motion was seconded by Commissioner Sisolak and approved by a unanimous vote.

<p>F. <i>For Possible Action:</i> Consideration of and possible action to approve a novation agreement among Barclays Bank PLC, the Silver State Energy Association, and the Commission.</p>

Gail Bates, Manager of Energy Services, gave a summary of the novation agreement.

For the past few years the Commission has been working with the Silver State Energy Association (SSEA) to establish the SSEA as the energy supplier for all of its members. Consistent with that direction, the Commissioners authorized Staff to send a form novation agreement to each of the Commission's counter parties with whom the

Commission has entered into power purchase and sale transactions. The novation agreement transfers the Commission's interest in those purchase and sale transactions to the SSEA.

The Commission sent the novation agreements to the counter parties and two of them proposed changes to the form agreement. Barclays Bank PLC (Barclays) made a small number of changes that were very minor.

Staff recommended the Commission approve this novation agreement, as modified by Barclays, and authorize the Executive Director to sign it on behalf of the Commission.

Chairman Ogilvie asked Senior Deputy Attorney General Ann C. Pongracz for a brief description of the legal matters surrounding the novation agreements being considered.

Ms. Pongracz stated that she had reviewed the language and changes requested in these agreements as well as the language in the original Western Systems Power Pool (WSPP) agreements and recommended that the Commission approve these agreements.

Chairman Ogilvie asked if there were any questions from the Commissioners on this agenda item. There were none.

Commissioner McCoy moved for approval of the novation agreement among Barclays, the SSEA, and the Commission. The motion was seconded by Commissioner Coffin and approved by a unanimous vote.

<p>G. <i>For Possible Action:</i> Consideration of and possible action to approve a novation agreement among Exelon Generation Company, LLC, the Silver State Energy Association, and the Commission.</p>
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Ms. Bates, gave a summary of the novation agreement.

Exelon Generation Company LLC (Exelon) made some minor changes to the Commission's proposed form novation agreement and one that was thought to be more substantive.

Exelon proposed to strike the language in Section 3b which stated that once these deals are novated, or transferred to the SSEA, the Commission would have no further responsibility for them. Staff and the Attorney General's office reviewed this change and found it to be acceptable for multiple reasons. First, there are only two transactions in question, both for calendar year 2015, making the contractual exposure limited. Second, absent the language in Section 3b, the standard language in the WSPP Agreement prevails and all contract responsibilities under that agreement rest entirely with the buyer and the seller.

Staff recommended the Commission approve this novation agreement, as modified by Exelon, and authorize the Executive Director to sign it on behalf of the Commission.

Commissioner Coffin moved for approval of the novation agreement among Exelon, the SSEA, and the Commission. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

H. *For Possible Action:* Consideration of and possible action to approve a contract between Piercy Bowler Taylor & Kern and the Commission for accounting and auditing services.

Douglas N. Beatty, Chief of Finance and Administration gave a summary of the contract with Piercy Bowler Taylor and Kern.

The Commission's contract for annual financial audit services, including internal control review, will expire in July of 2013. The contract is required to provide publication of the Commission's Comprehensive Annual Financial Report in accordance with Governmental Auditing Standards as required under bond covenants applicable to the Commission's existing General Obligation Bonds currently outstanding.

In February, Staff requested that the Purchasing Division of the State Department of Administration conduct a request for proposals for audit and accounting services for the Commission's books and records. The Purchasing Division in accordance with their regulations and with input from Commission Staff developed a scope of services for the annual audit and internal control review and issued a Request for Proposals. The request was published in March. The Purchasing Division published the request on the applicable State and Purchasing websites and contacted qualified accounting firms in their data base. The proposals were received in April. Only one proposal was received. The proposal was from the Commission's existing audit firm, Piercy Bowler Taylor & Kern, Certified Public Accountants.

The proposal was provided to a review team consisting of four members of Commission Staff, and one representative from the SNWA. The review team was tasked with providing a review related to the proposal as far as meeting the requirements of the request and with making a determination as to the acceptability of the firm to complete the tasks assigned.

The Purchasing Division developed the draft contract and provided final copies to Staff to present to the Commission for final approval and signature before submission to the State Board of Examiners for approval at their July meeting.

The contract anticipates ongoing audit and internal control review services for the fiscal years 2013 through 2014 with provision for an additional two years (in accordance with State Purchasing guidelines for contract periods). The contract anticipates three tasks: the annual financial audit of the Commission's books and records at a cost of \$55,500 (current cost for the audit is \$55,000); review of the Commission's internal control procedures as required by the State Controller at a cost of \$2,370 (current cost of \$5,000); and an annual financial audit of the SSEA at a cost of \$7,450 (current cost of \$5,000).

The cost of the SSEA audit will be the obligation of the SSEA and not an expense of the Commission.

The SSEA audit was bundled with the request for proposal for two reasons: (1) to save cost as the SSEA audit at this time is too small to warrant its own request for proposals; and (2) for audit efficiencies as the labor for the SSEA is provided in large part by Commission Staff pursuant to existing contract. The total authorized under the contract is \$261,280 and anticipates the full four year term to allow the amendment, if approved in two years, to proceed within time extension guidelines of the Board of Examiners with Board Clerk approval.

Staff recommended the Commission approve the contract and authorize the Executive Director to sign it on behalf of the Commission.

Commissioner Coffin asked why there was only one response to the request for proposal for this accounting service.

Mr. Beatty responded that it was interesting to receive only one response; however, when the previous request was done five years ago, the Commission only received two proposals at that time. He stated that a possible reason for the lowered interest is the size of the contract required for services needed by the Commission. The Purchasing Division did place the request for proposal on their website as well as contacting their list of accounting firms directly with information on this request; however, no firms other than Piercy Bowler Taylor and Kern responded to the request.

Commissioner Sisolak asked how many accounting firms were contacted about this request.

Mr. Beatty stated that he is unaware of the number of companies listed in the Purchasing Division's database. Two employees of the State of Nevada Purchasing Division were in attendance at the meeting who could be consulted on these questions.

Commissioner Sisolak asked if the Purchasing Division's representatives could make the Commission aware of the size of the database used, as it is rare that a request for proposal would garner only one response.

Mr. Beatty introduced Kimberlee Tarter with the Purchasing Division.

Kimberlee Tarter, Deputy Administrator with the Department of Administration, Purchasing Division, addressed the Commission on the question of the size of database used for the request for proposal of accounting and auditing services. She stated that the current database of vendors for the State of Nevada stands at approximately ten thousand companies. The list of vendors in the accounting section that was notified of this request was approximately two hundred companies. The database is not a pre-qualified list of organizations, but rather a registry for vendors to provide their own information and to be alerted of open contracts currently available with the State.

Commissioner Sisolak asked what the minimum qualifications were for this request.

Ms. Tarter stated that the Purchasing Division did not set the requirements or qualifications requested for proposal.

Mr. Beatty stated that the Commission requested criteria for compliance with a governmental audit and accounting standards.

Ms. Tarter stated that the Purchasing Division would be able to contact the agencies that were notified of the request to ask if there were any special concerns or questions involved in the process that stopped them from submitting a proposal. She also stated that during the request for proposal process there is a question and answer period to address any concerns that may arise during the application process.

Commissioner Sisolak stated that he would be interested to know what feedback could be gathered from the companies contacted in an effort to better understand why more diverse organizations and smaller agencies felt they were unable to apply for this request.

Ms. Tarter stated that the Purchasing Division would be able to conduct a survey of the companies contacted and then submit the answers received to the Commission.

Commissioner Coffin stated that he knows in previous requests and in requests for other companies, Piercy Bowler Taylor and Kern are usually in competition with another firm, Kafoury Armstrong and Company, for such proposals. These two companies generally have staff available to take on new projects while some smaller companies may be unable to set aside the staffing required to complete a State contract. He asked Ms. Tarter if she were aware of another company with similar staffing capacities available in the State.

Ms. Tarter stated that those two agencies generally are awarded State contracts. She went on to explain that Kafoury Armstrong and Company is usually the company awarded the State's single audit contracts that are decided through the Legislative Counsel Bureau; however, some requests are not responded to by their company depending upon staffing levels and the current number of contracts that are being fulfilled. She stated that in other requests for proposals, the Purchasing Division has noticed that smaller agencies tend to not apply as they do not have the staffing numbers required to handle the scope of work involved.

Chairman Ogilvie asked if there were any other questions from Commissioners. There were none.

Commissioner Coffin moved for approval of a contract between Piercy Bowler Taylor & Kern and the Commission for accounting and auditing services. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

I. *For Information Only: 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.*

Ms. Harkins addressed the Commission with an update on the status of the Commission's efforts to meet the provisions required by the Hoover Power Allocation Act.

The Western Area Power Administration (Western) released its draft marketing criteria in October of 2012. Comments regarding the criteria were due in January of 2013. Western is still considering comments and working on the final marketing criteria for the Hoover Power Allocation Act. Once criteria are set, Western will act first in the marketing of the Hoover Power Allocation Act and then the Commission will begin its own marketing process.

A.B. 199, a bill allowing the Commission to sell electric power to certain new customers in response to the Hoover Allocation Act of 2011 (H.R. 470), went through the Assembly and was passed to the Senate Commerce and Labor Committee and is awaiting a vote for passage.

S.B. 438, a bill revising the provisions under which the Commission may borrow or otherwise become obligated for principal relating to the costs of electric power generated by the Hoover Dam, has been passed by the Senate and has been voted out of the Assembly Commerce and Labor Committee. It has not yet been scheduled in the full Assembly.

J. *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 Peterson, Manager of the Natural Resources Group, provided a report on the following:

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Probabilities of Occurrence of Event or System Condition Results
- Lake Mead End of Month Elevation Projections
- Lake Mead Daily Water Levels
- Precipitation – Colorado River Basin
- Record of Precipitation, Las Vegas, NV
- Upper Colorado River Basin Snow Water Equivalent
- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- NOAA's 1981-2010 Climate Normals
- July Maximum Temperature Comparison
- January Maximum Temperature Comparison

- Water Use in Southern Nevada
- Public Outreach

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

Chairman Ogilvie asked if the information contained in the Precipitation – Colorado River Basin slide, specifically the dates used for the average, were correct in previous presentations.

Mr. Peterson stated that the information contained in previous presentations was correct.

Chairman Ogilvie asked for clarification if the reported data was correct, but the dates listed as being used as the time span for the averages was listed incorrectly.

Mr. Peterson stated that is correct. The data listed as the average was the correct number. The dates were, however, incorrect. Previous presentations stated that the data was the average for the timeframe of 1971 – 2000, when in fact the date ranges were 1981 – 2010. The discrepancy came from the fact that the federal agency reporting the information had failed to update the date range on its website despite updating and listing current and correct averages.

Chairman Ogilvie asked how the listed information of 80% year-to-date precipitation relates to the 42% of unregulated inflow previously listed.

Mr. Peterson stated that currently in this water year, we are experiencing a higher amount of precipitation than previous periods. However, in a broader time frame, we are experiencing a lower than average amount of precipitation. That is why the amount of 42% on unregulated inflow can be present while receiving 80% of average precipitation.

Ms. Harkins clarified that when calculating the amount of unregulated inflow, several factors are considered that differ from the criteria for factoring the average of precipitation. A varying factor involves snow pack levels and the water contained within the snow pack. Another factor involves soil moisture conditions measured in the area. These factors along with the timing of their release, how quickly and when snow pack melt occurs, greatly affect the amount of run off measured in the system. When all of these factors are combined, the unregulated inflow amounts can vary dramatically from measured precipitation within the system.

Commissioner Sisolak asked about the Water Use in Southern Nevada slide in which the numbers average out to about a 10% drop on consumptive use, and how these amounts were figured.

Mr. Peterson stated that the amount used in this average includes not only less water being used, but also water saved through conservation efforts that returned water to the lake. At the next Commission meeting, diversions will be added to the report to better reflect the amount of water actually used in the valley.

K. 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.

Todd Farlow, of 240 North 19th Street, Las Vegas, NV 89101 addressed the Commission with the following comments.

Mr. Farlow had a question regarding the Hydrologic Conditions report, Storage Conditions slide, as to whether or not the silt amounts had been factored into the capacity measurements for the lake.

Mr. Farlow also asked that ten plus years ago, when the water was released from Lake Powell to flow downstream and wash away silt deposits and restore beaches along the river, if that water was released from lower depths to remove silt deposits behind the Dam or if it was surface water.

Mr. Farlow also had a question regarding storage conditions, as to whether or not the amounts shown in the Hydrologic report include the lowest sixteen to twenty feet of lake water that would not be considered healthy for human use.

Commissioner Coffin asked for clarification if the lower depths Mr. Farlow was concerned about were Mr. Farlow's main concern. Mr. Coffin explained that the lake water churns and mixes layers constantly, thereby redistributing this water evenly throughout the lake. When used, all water from the lake is treated before delivery for its intended use.

Mr. Farlow stated that he was concerned about the quality of the water being used from the lower depths. He offered an article from the April 18, 2013 edition of CityLife for the record that covers the health and safety of the water in the Colorado River. A copy of the article is attached and made a part of the minutes. (See Attachment C.)

Mr. Farlow also had a comment about fracking, hydraulic fracturing, in Nevada. He referenced an article from the March – April 2013 issue of the Pacific Standard Magazine page 30, that talks about fracking and the pollution that it releases into the water supply. He is concerned that were these chemicals and waste waters to be released into the Colorado River, all of our water supply would be unfit for human use. An article in the March – April 2013 issue of Mother Jones magazine page 34, also references fracking and its impacts on the environment and water supply. He came to address the Commission because he has a high level of concern regarding the future use of fracking in Nevada and the potential impact of fracking on the Colorado River and Lake Mead water systems.

Chairman Ogilvie thanked Mr. Farlow for his comments and asked if there were any other members of the public that wished to address the Commission. There were none.

L. Comments and questions from the Commission members.

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

M. Selection of the next possible meeting date.

Staff will contact the Commissioners regarding availability to meet prior to the regular monthly meeting in June. One item may need action by the Commission within the next two weeks.

The June Commission Meeting is tentatively scheduled for 1:00 p.m. on Tuesday, June 11, 2013, at the Clark County Government Center in the Commission Chambers.

N. Adjournment.

The meeting adjourned at 2:02 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

George F. Ogilvie III, Chairman