

The meeting was held at 1:04 p.m. on Tuesday, May 11, 2010, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4412, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

George F. Ogilvie III
Mark Amodei
Marybel Batjer
Tom Collins
Duncan R. McCoy
Berlyn D. Miller
Lois Tarkanian

DEPUTY ATTORNEYS GENERAL

Senior Deputy Attorney General
Senior Deputy Attorney General

Jennifer T. Crandell
Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director
Deputy Executive Director
Chief, Finance and Administration
Assistant Director of Engineering and Operations
Manager, Hydropower Program
Manager, Natural Resources Group
Assistant Manager, Hydropower Program
Hydropower Program Specialist
Natural Resource Analyst
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Office Manager
Administrative Assistant II
Administrative Assistant II

George M. Caan
James D. Salo
Douglas N. Beatty
Robert Reese
Craig N. Pyper
McClain L. Peterson
Lisa M. Ray
Michael Harris
Nicole Everett
Esther Valle Rojas
Jason Thiriot
Gail L. Benton
Judy K. Atwood
Donna Banks
Gina Goodman

OTHERS PRESENT; REPRESENTING

American Pacific Corporation
Building Trades
Consultant
GC
HFIAW Local 135
IBEW
IBEW Local 357
IBEW Local 396
Ironworkers Local 416

Jack Stonehocker
Byron K. Harvey
Sara A. Price, Esq.
Terry Graves
Mark Mizzoni
Lamare Jones
James Halsey
Jeremy Newman
Donny Grayman

OTHERS PRESENT; REPRESENTING (continued)

Ironworkers Local 433

Ironworkers Local 433

IUOE

Overton Power District No. 5

Southern Nevada Water Authority

Robert Conway

Darrell Fagg

Dave Garbar

Delmar Leatham

Kathy Flanagan

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF May 11, 2010**

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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:04 p.m.

The Pledge of Allegiance was then recited.

A. Conformance to Open Meeting Law.

Executive Director George Caan confirmed that the meeting was in compliance with the Open Meeting Law.

B. Approval of minutes of the April 13, 2010 meeting.

Commissioner Batjer moved for approval of the minutes of the April 13, 2010 meeting as written. The motion was seconded by Commissioner Miller and approved by a unanimous vote of those present. Commissioner Tarkanian was not present for the vote.

C. Selection of Vice Chairman.

Chairman Ogilvie welcomed the newest Commissioner of the Colorado River Commission, former State Senator Mark Amodei.

Chairman Ogilvie explained that NRS 538.111 provides that “at the first meeting of the commission in each calendar year, the commission shall elect the Vice Chairman for the ensuing calendar year.” The former Vice Chairman, Ace Robison, resigned from the Commission at its April 13, 2010 meeting and a new Vice Chairman selection is required for the remainder of the calendar year.

Commissioner McCoy moved to nominate Commissioner Batjer for Vice Chairwoman. The motion was seconded by Commissioner Amodei and approved by a unanimous vote of those present. Commissioner Tarkanian was not present for the vote.

D. Presentation of the Colorado River Commission Power Delivery Group’s Annual Safety Report.

Assistant Director of Engineering and Operations Robert Reese gave a presentation of The Colorado River Commission Power Delivery Group’s Annual Safety Report. A copy of the presentation is attached and made a part of the minutes. (See Attachment A.)

Commissioner Tarkanian arrived at this time.

Mr. Reese stated that the Power Delivery Group had 15,000 safe man-hours, over 100 switching operations, 78,000 safe driving miles, and a solid safety program.

Chairman Ogilvie acknowledged the Commission's receipt of the 2009 American Public Power Association Safety Award and offered his congratulations to the Power Delivery Group on a job well done.

E. Briefing on the Colorado River Commission's construction contracting practices including utilization of project labor agreements.

Mr. Caan stated that the Commission receives its authority to use, exchange, purchase, or transmit electric power and to develop or own and operate generation or transmission facilities to support the needs of its statutorily defined customers, including the water and wastewater operations of the Southern Nevada Water Authority (SNWA) and its member agencies.

A presentation was given which outlined the Commission's authority to construct certain electrical facilities, including evaluation of possible projects, preparation of project contracts, and development and implementation of the projects. A copy of the presentation is attached and made a part of the minutes. (See Attachment B.)

Mr. Reese reviewed the written procedures that the Commission approved in 1996 for purchasing major electrical equipment and in 1997 for the awarding of construction contracts.

Mr. Reese explained that projects begin with a request from one of the Commission's customers. The parties discuss details of requested construction requirements, proposed timeline, whether the customer's project will be subject to a Project Labor Agreement (PLA), and the funding of the project. Staff then evaluates whether to prepare a project proposal, and if so, they develop a project proposal which includes scope of work, proposed designs, project schedule, and cost estimate. Staff negotiates contracts required for the project that may include: (1) initial authorizing contract with funding entity, (2) engineering services contract, (3) materials procurement contract(s), and (4) construction contract. The engineering services, materials procurement, and construction contracts follow required competitive bid procedures. Each of the contracts is presented for Commission approval, in order to provide the Commission an opportunity to consider and approve or disapprove terms and conditions for the project.

Chairman Ogilvie reminded the Commission that during January's meeting some concern was expressed regarding Commission projects that were not subject to a PLA. Chairman Ogilvie asked if anyone from the public would like to be heard on this issue today.

Mr. Lamare Jones representing the International Brotherhood of Electrical Workers (IBEW) expressed his thanks for the Commission's consideration of PLAs. He stated that the IBEW is very interested in PLAs, and that they want to make sure jobs are staying here in Nevada.

Chairman Ogilvie asked if other members of the public wished to be heard on this matter. There were none.

Commissioner Collins stated he received telephone calls prior to January's meeting regarding the Clark County Water Reclamation District's (CCWRD) contract. Commissioner Collins asked for clarification regarding whether there is a master agreement stating that all Commission projects dealing with water and wastewater would be under a PLA. He said he had received numerous telephone calls requesting this item be placed on the agenda. Commissioner Collins further stated he thought that someone from the public that worked on a SNWA project, or for a labor organization, had a presentation documenting an agreement.

Mr. Caan stated the Commission does have one agreement from 1997 regarding a project for the SNWA specifically associated with the second straw electrical system at the Alfred Merritt Smith and the River Mountains treatment facilities that does include a PLA provision.

Commissioner Collins asked if the Commission was aware that the Clean Water Coalition (CWC) agreed to have a community workforce agreement in lieu of a PLA.

Mr. Caan replied he was not aware of one, but staff would research if the CWC has an agreement in place that may be applied to our Commission projects.

Commissioner Collins stated the people bringing up the PLA issue should be offering public testimony expressing their concerns.

Chairman Ogilvie asked if there was anyone who wished to address this issue to the Commission.

Mr. Jeremy Newman representing the IBEW Local 396 stated there is a PLA for the Colorado River Commission power delivery project that was adopted in 1997, revised in 1999, and revised again in 2000. He stated that this agreement requires use of a PLA "with respect to new construction work with a scope of this agreement owned by the Colorado River Commission hereafter CRC or the owner." Mr. Newman did not provide a copy of this agreement for the record.

Mr. Caan stated his understanding that the agreement referenced by Mr. Newman addresses only the SNWA second straw facilities. He further noted that the agreement with which he is familiar was last revised in the year 2000.

Commissioner Collins asked Mr. Newman if that was his understanding as well.

Mr. Newman replied that he thought that all the Colorado River Commission projects in and around Clark County, Nevada are required to have a PLA. He referred to an agreement that states "it is understood by the parties of this agreement that is the agreement acceptable to the CRC will become policy of the CRC that construction work covered by this agreement shall be contracted exclusively to contractors who agree to these terms." Mr. Newman requested the policy be reviewed by the whole board.

Mr. Caan stated his understanding that the agreement that includes a PLA provision only addresses the SNWA second straw project.

Commissioner Collins asked if a law was enacted in 2001 that changed future project criteria.

Mr. Caan replied the only change that was made in 2001 defined who the Commission could do work for and did not provide criteria for agreements. The permissive language allows the customer agencies to authorize the terms and conditions in an agreement.

Commissioner Collins commented that further research is needed to confirm if there is a document stating that all work in this area that's owned or operated by the Commission will be under a PLA, and if the 2001 changes do not remove the requirement.

Mr. Caan explained that when the Commission did the SNWA project originally, the project area was defined as BLM land reserved for water projects for the second straw. The Commission's legal staff will research and confirm if there is a document which provides that the Commission engages in a PLA for all construction projects that it undertakes.

Chairman Ogilvie confirmed with staff that the SNWA is the only Commission customer that requires a PLA on its projects; that the Commission is neutral on use of PLAs; and that the Commission follows the contracting customers' defined terms and conditions with respect to the establishment of a PLA. The only open issue is whether there is a document that requires the Commission to include a PLA in every contract, regardless of whether the customer requests a PLA.

Mr. Jones again gave public commit by asking the Commission where the documents discussed during the meeting regarding changes in the law could be found.

Mr. Caan provided a document referencing NRS 538.161, 538.166 and 704.787. (See Attachment C.)

Mr. James Halsey representing the IBEW Local 357 asked how many projects have not been under a PLA, and further commented on the Commission's safety record and asked if the Commission wanted to keep it that way.

Mr. Reese answered that there are only two projects without a PLA and that it is the Commission's goal to continue with its outstanding safety records.

Chairman Ogilvie asked the representatives that spoke today to provide to the Commission any document they may have that requires all Commission projects to have a PLA.

Commissioner McCoy commented that the people from the various labor organizations should speak with the Commission's customer agencies if they want to have those agencies ensure that a PLA is in force in these projects.

F. Consideration of and possible action to approve Amendment No. 1 to Contract No. SA-07-01 with Peak Substation Services, LLC for material purchasing services.

Mr. Reese stated under State purchasing guidelines, designated Commission staff has the ability to purchase items costing less than \$5,000 from vendors with whom the Commission has established accounts. This purchasing mechanism allows the Commission to purchase small tools and items such as low-voltage wire, conduit, and replacement luminaries. However, many individual items and replacement parts within the Commission's transmission system cost in excess of \$5,000.

To provide Commission operation and maintenance staff with the ability to obtain replacement equipment and material costing in excess of \$5,000, the Commission has entered into enabling contracts, including one with Peak Substation Services, LLC (Peak), for the supply of materials, equipment and supplies for the Power Delivery Project and the Basic Substation Project.

By maintaining multiple enabling contracts, staff is able to solicit competitive price quotes on items. Each time a purchase is to be made, vendors such as Peak which have entered into enabling contracts are asked to provide quotations and the vendor offering the most favorable terms will be issued a purchase order to furnish the required items. The contracts are non-exclusive and the Commission is not obligated to purchase materials under these contracts.

These types of contracts are not intended as a method to purchase items for capital projects or large items such as a power transformer. Contracts for the purchase of material for capital projects and large-scale replacement purchases are brought before the Commission for consideration.

The Peak contract, Contract No. SA-07-01, expires on June 30, 2010. Peak has performed well under its contract and the Commission now desires to extend the term of the contract through June 30, 2013.

Vice Chairwoman Batjer moved for approval on the contract amendment. The motion was seconded by Commissioner Miller and approved by a unanimous vote.

G. Consideration of and possible action to approve Amendment No. 2 to Contract No. SA-04-01 with Northern Power Equipment, Inc. for material purchasing services.

Mr. Reese stated that this is an enabling contract similar to the one described in the previous item.

The Northern Power Equipment, Inc contract, Contract No. SA-04-01, expires on June 30, 2010. Northern has performed well under its contract and the Commission now desires to extend the term of the contract through June 30, 2013.

Commissioner Collins moved for approval on the contract amendment. The motion was seconded by Commissioner Tarkanian and approved by a unanimous vote.

H. 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.

Natural Resources Analyst Nicole Everett gave a brief presentation. A copy of the presentation is attached and made a part of the minutes. (See Attachment D.)

Ms. Everett provided a report on the following:

- Storage Conditions
- Unregulated Inflow Into Lake Powell
- Precipitation in the Colorado River Basin
- Lake Powell Elevation Projections
- Lake Mead Elevation Projections
- Hoover Dam Rating and Lake Mead Elevations
- Minimum and Maximum Temperature Deviation for April 2010
- Monthly Precipitation for April 2010
- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- Record of Precipitation Las Vegas Through May 10, 2010
- Water Use in Southern Nevada

Mr. Caan reported that the Hoover Power Allocation Act of 2009 was unanimously passed by the House Natural Resources Committee on May 5, 2010. The bill passed with all the major pieces of the legislation still in place. The only changes made to the legislation were to give Western an additional 18 months to conduct their public comment process and provide the tribes access to the pooled energy resources contracting directly with the federal government as opposed to contracting with the states the matter of tribal sovereignty. We hope a hearing is scheduled in the Senate either late May or early June.

I. Comments and questions from the public and discussion. (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. Public comments were made under Item E.

J. Comments and questions from the Commission members.

Chairman Ogilvie asked if there were any comments or questions from the Commission members.

Commissioner Collins reminded staff of a discussion during January’s meeting on how we prequalify or select our contractors. A comparison was made on contractor selection with the Grant Sawyer State Office Building, selecting a structural general contractor, versus construction of a power plant or substation with primarily electrical work. Staff was asked to clarify if during the selection process the contractor’s specialized field is considered, in addition to the lowest qualified bid on a project. Commissioner Collins said staff didn’t have to cover it today as it is public comment time.

Mr. Reese stated it is always staff’s intent to have a fair, competitive, and secure bid process and select the most qualified contractor on the Commission’s facilities. Following the discussion at the January meeting, staff reviewed current standards and developed new specifications regarding the type of license required on projects.

Chairman Ogilvie recognized Mr. Caan and the entire staff on the excellent job done on the two day symposium held on April 21 and 22. The symposium was on the implications of lower lake levels.

K. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, June 8, 2010, at the Grant Sawyer State Office Building, in Suite 4412.

L. Adjournment.

The meeting adjourned at 2:16 p.m.

Director

APPROVED:

George F. Ogilvie III, Chairman

George M. Caan, Executive