

The Colorado River Commission of Nevada meeting was held at 1:30 p.m. on Tuesday, July 10, 2018 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4412, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Vice Chairwoman
Commissioner
Commissioner
Commissioner

Puoy Premsrirut
Kara J. Kelley
John F. Marz
Steve Sisolak
Dan H. Stewart

COMMISSIONER IN ATTENDANCE VIA TELEPHONE

Commissioner

Cody T. Winterton

COMMISSIONER NOT IN ATTENDANCE

Commissioner

Marylin Kirkpatrick

DEPUTY ATTORNEYS GENERAL

Special Counsel, Attorney General
Special Counsel, Attorney General

Christine Guerci
Jennifer Crandell

COMMISSION STAFF IN ATTENDANCE

Executive Director
Deputy Executive Director
Chief of Finance and Administration
Assistant Director of Engineering and Operations
Manager, Hydropower Program
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Senior Energy Accountant
Assistant Director of Energy Information Systems
Systems Coordinator
Office Manager
Administrative Assistant IV
Administrative Assistant IV

Jayne Harkins, P.E.
Eric Witkoski
Douglas N. Beatty
Robert D. Reese
Craig N. Pyper
Peggy Roefer
Warren Turkett, Ph. D.
Gail L. Benton
Richard M. Sanders
Kaleb Hall
Chris Smith
Gina L. Goodman
Kira Bakke
Katie Aguilar

OTHERS PRESENT; REPRESENTING

NV Energy
Southern Nevada Water Authority

Michael Hulin
Jason Bailey

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF JULY 10, 2018**

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COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF JULY 10, 2018

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The Colorado River Commission of Nevada meeting was called to order by Chairwoman Premsrirut at 1:30 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Executive Director Jayne Harkins, P.E. 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 June 12, 2018 meeting.

Commissioner Sisolak moved for approval of the minutes. The motion was seconded by Commissioner Marz and approved by those present. Commissioner Stewart abstained from this vote.

Vice Chairwoman Kelley arrived at 1:33 p.m.

D. For Possible Action: Consideration of and possible action to adopt the Colorado River Commission of Nevada's fiscal year 2020 and 2021 budget request.

Chief of Finance and Administration Douglas N. Beatty explained that the budget request for the Colorado River Commission of Nevada's (Commission) fiscal year 2020 and 2021 introduced at the June 12, 2018 Commission meeting had been reviewed with the customers at the power customer meeting held on May 2, 2018 with changes made based on customer requests and questions and revised budget documents provided later in May. The proposed budget as presented in the June meeting has only one minor change. The acronym USBR referenced in the budget information for the Research & Development Fund (4497) has been defined as United States Bureau of Reclamation. No additional comments, inquiries, or requests for changes had been received from customers, Commissioners, or interested parties.

Once adopted by the Commission, the budget process will continue as follows:

- The budget will be conformed to the State Budget format and submitted as the agency request in the first phase of the budget process.
- The budget will then be reviewed by the agency's assigned Budget Analyst and the Director of the Governor's Finance Office (GFO) and revised as necessary for inclusion in the Executive Budget.

- The revised budget will be returned to the Commission's Staff for review and a budget meeting with the Director of the GFO, assigned analysts, and representatives of the Legislative Fiscal Staff will be scheduled and held if necessary.
- The GFO will develop the Governor's Recommended Budget for the Commission as a component of the complete State Budget.
- The complete State Executive Budget, once reviewed and approved by the newly elected Governor, will be presented to the Nevada Legislature early next year.
- The budget committees of the Nevada Legislature will schedule hearing(s) to review the budget request. This usually happens late in March or early in April for the Commission's portion of the Executive Budget.
- The Legislature will develop and approve the final budget based on the Governor's request and the information provided at the various budget hearings.
- The budget as approved by the Legislature is then incorporated into the State accounting system and the Commission's funds and accounts are then controlled by the adopted amounts.

Staff recommended that the Commission adopt the 2020 and 2021 budget and authorize the reformatted budget request be submitted to the GFO for inclusion in the Executive Budget to be submitted to the Legislature in the 2019 session.

Commissioner Stewart moved for approval of the Colorado River Commission of Nevada's fiscal year 2020 and 2021 budget request. The motion was seconded by Vice Chairwoman Kelley and approved by a unanimous vote.

<p>E. <i>For Possible Action:</i> Consideration of and possible action to approve a change to the Commission's posting procedures for Commission meeting materials.</p>
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Executive Director Jayne Harkins provided a summary on the change to the Commission's posting procedures for Commission meeting materials. At the May 12, 2018 Commission meeting, Staff was asked to place an item on the agenda to discuss and potentially take action on providing a more convenient way for the public to obtain meeting materials.

Currently the Commission posts its agenda on its website, <http://crc.nv.gov/>, and the Nevada Public Notice website, <https://notice.nv.gov/>. Paper copies of the agenda are also posted at a variety of physical locations listed on the agenda. After

meeting minutes are approved, the minutes are posted on the Commission's website.

Individuals who want to obtain copies of the supporting materials in advance of a Commission meeting can do so by contacting Commission Staff utilizing the contact information on the posted Agenda. As requested, Staff supplies a printed or electronic copy of the supporting materials.

The most expedient option to meet the request made at the May meeting is to add to the Commission's website with a .pdf file containing the contents of the supporting materials provided to the Commissioners in their binders. This option would take Staff time to modify the website and would require additional Staff time each month to create the pdf file of the supporting materials and update the website.

Staff recommended changing the Commission's procedures to include posting the supporting materials on the Commission's website.

Vice Chairwoman Kelley moved for approval to change the Commission's posting procedures for Commission meeting materials. The motion was seconded by Commissioner Sisolak and approved by a unanimous vote.

F. For Information Only: Update on *Comm. on Ethics v. Hansen*, S. Ct. Case No. 69100.

Items F and G were combined by Chairwoman Premsrirut.

G. For Possible Action: Consideration of and possible action to approve a Resolution authorizing the Executive Director or Designee to take action to intervene in Federal Energy Regulatory Commission (FERC) or Public Utilities Commission of Nevada (PUCN) regulatory matters.

Items F and G were combined by Chairwoman Premsrirut.

Special Counsel Christine Guerci provided a report on the ruling in *Ethics v. Hansen*, Nevada Supreme Court Case No. 69100.

The Commission is responsible for acquiring and managing Nevada's share of hydropower resources from the Colorado River and as such has rights, responsibilities and obligations under Nevada, federal, and common law. Pursuant to NRS 538.161, the Commission is statutorily responsible for ensuring that Nevada's share of federal hydropower provides the greatest possible benefit to the state of Nevada. In addition, the Commission is authorized to provide transmission, distribution or both services to a pre-defined set of customers pursuant to NRS 704.787.

NV Energy is the Commission's largest single hydropower contractor and has certain contractual obligations to the Commission. The Public Utilities Commission of Nevada (PUCN) regulates NV Energy, including matters related to the utilization

and cost recovery of their generation assets and contracts. NV Energy is also a service provider to the Commission. The Commission purchases transmission, distribution, and ancillary services from NV Energy for the benefit of some of its contractors. The rates, terms, and conditions for providing such services are regulated by the PUCN or the Federal Energy Regulatory Commission (FERC.)

In the past, the Commission has intervened in regulatory proceedings before both the PUCN and the FERC. These matters generally pertain to NV Energy's hydropower contract with the Commission or the rates, terms, and conditions for services that NV Energy provides to the Commission. Because the FERC and the PUCN establish procedural schedules that are beyond the control of the Staff, Staff has not always been able to request the Commission's permission for intervention in these proceedings before the procedural deadline for intervention. In such cases, Staff has sought ratification from the Commission of its intervention. Following is a listing of the PUCN and FERC cases that the Commission has intervened in over the past few years:

- FERC Docket No. EL18-102-000 which directed NV Energy to propose revisions to its transmission rates or show why those rates should not be changed in response to the Tax Cuts and Jobs Act of 2017.
- PUCN Docket No. 18-03002: NV Energy's annual Deferred Energy Accounting Adjustment (DEAA) filing which establishes the energy rates paid to Hoover D customers under the Hoover D Rider.
- FERC Docket No. ER17-2197: NV Energy's filing of the Ancillary Services Agreement Between NV Energy and Commission for the BMI Customers.
- PUCN Docket No. 17-03001: NV Energy's annual DEAA filing which establishes the energy rates paid to Hoover D customers under the Hoover D Rider.
- PUCN Docket No. 16-05004: NV Energy's filing of the Hoover D Rider which establishes the rates our Hoover D customers get paid by NVE for their Hoover D power.

Commissioner Stewart asked where the case *Ethics v. Hansen* presently stands.

Ms. Guerri responded that the case is finished; it is settled law in the State of Nevada.

Chairwoman Premisrirt commented regarding the material steps; any material step in a litigation does require authorization from an agency as the public body.

Ms. Guerri responded that material steps need to come before the Commission and need to be decided at an open meeting, however the Supreme Court did not necessarily define material steps: initiation, settlement, and filing a notice of appeal, and that it would depend on the type of step that is taken.

Chairwoman Premsrirut again commented regarding practical application to the Commission, concerning interventions and dockets, and asked whether said intervention would constitute a material step, and if so, would the handling of it via a resolution be in compliance with *Ethics v. Hansen*.

Ms. Guerci answered that the proposed resolution (Item G) was proposed in order to address these concerns.

Commissioner Sisolak asked for clarification regarding the origin of *Ethics v Hansen*, specifically regarding allegations of misuse of one's position, and how certain issues and items need to come before the Commission while others do not, and whether or not every time an attorney files something the Commission needs to be notified.

Ms. Guerci answered that no, the Commission does not need to be notified of every attorney filing, but that public notice and Commission votes are required for material steps.

Chairwoman Premsrirut asked if the Commission can authorize, in advance, a delegation of authority to counsel to take material steps with the resolution or if it needs to be a decisive matter that is voted on by the Commission as a body.

Ms. Guerci clarified that the proposed resolution was narrowly tailored to interventions and regulatory actions that are started by non-Commission entities.

Chairwoman Premsrirut asked about the kind of discretion that could be delegated by the Commission under *Ethics v. Hansen*.

Ms. Guerci answered that, in her opinion, one could delegate very little with respect to material steps. For example, the Commission could not delegate to the Executive Director the authority to take any legal action he or she found necessary. The delegation would need to be extremely specific.

Commissioner Sisolak asked if there was a monetary limit.

Ms. Guerci responded that Commission approval was required if the Intervention in question dealt with a cost that fell outside the purview of previously negotiated contracts.

Commissioner Sisolak commented that it would be prudent to establish a monetary limit, and that the Commission be notified whether or not a meeting is taking place.

After the discussion, the proposed Resolution 2018-1 authorizing the Executive Director or Designee to take action to intervene in Federal Energy Regulatory Commission (FERC) or Public Utilities Commission of Nevada (PUCN) regulatory matters was modified to include a not to exceed amount of \$10,000 in external costs, and that Commissioners will be updated monthly on such actions.

Vice Chairwoman Kelley moved for approval of a resolution authorizing the Executive Director or Designee to take action to intervene in Federal Energy Regulatory Commission (FERC) or Public Utilities Commission of Nevada (PUCN) regulatory matters, provided that they do not exceed \$10,000, and that the Commission is notified monthly in the event of an intervention, either at the Commission meeting or by email. The motion was seconded by Commissioner Stewart and approved by a unanimous vote.

H. For Information Only: Status update on hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

Natural Resource Analyst Warren Turkett gave a status update on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

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

Commissioner Stewart asked about the effectiveness of groundwater banking, and loss of water from that method.

Dr. Turkett answered that he was not sure about Nevada's groundwater banking numbers. However, in California and Arizona, the numbers were more concrete.

Commissioner Sisolak explained that the groundwater banking was generally done in natural caves, and that one could expect to yield about 98% of the originally banked water, though the exact amount is difficult to quantify due to natural limitations.

Chairwoman Premssirut asked if there was a resource to ascertain the amount of water savings in other Colorado River Basin states in comparison to Nevada.

Ms. Harkins answered, utilizing projected numbers, that the Lower Basin is using about 7 million-acre feet, out of an allocated 7.5 million. Staff will research and present findings to the Commission.

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

I. 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 Premssirut asked if there were any comments from the public. There were none.

J. Comments and questions from the Commission members.

Chairwoman Premsrirut asked if there were any other comments or questions from the commission members.

Commissioner Stewart asked whether the agency had any knowledge of the forthcoming Utah pipeline to move water from Lake Powell.

Ms. Harkins responded that the entities involved went to FERC for approvals and Staff submitted comments to FERC addressing their concerns.

Commissioner Stewart asked if there was a foreseen detrimental effect on Nevada's water resources.

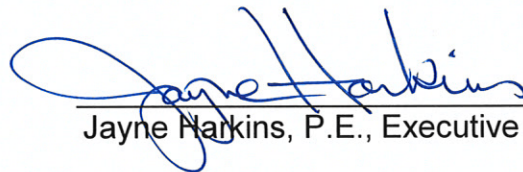
Ms. Harkins replied that there would not be a large impact to Lake Powell elevations or to hydropower generation at Glen Canyon Dam.

K. Selection of next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, August 14, 2018, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.


L. Adjournment.

The meeting was adjourned at 2:08 p.m.



Jayne Harkins, P.E., Executive Director

APPROVED:


Puoy Premsrirut, Chairwoman

Colorado River Commission of Nevada

Hydrology and Water Use Update July 10, 2018



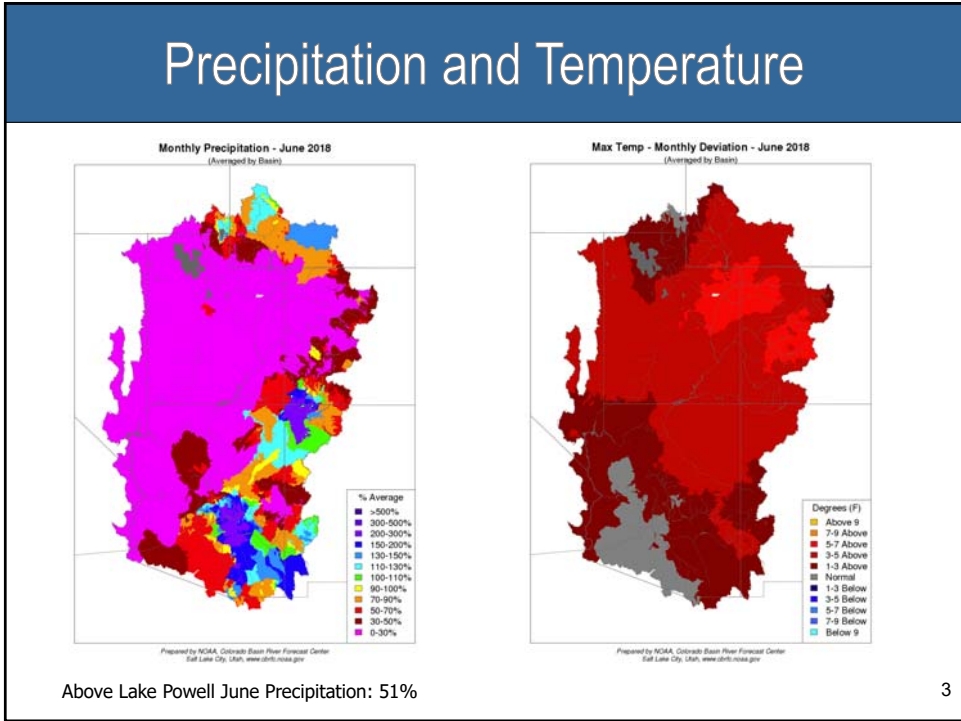

Water Use In Southern Nevada

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 thru May 2018	179,757	94,843	84,914

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 2018	5,113,000	47%
April thru July 2018	2,675,000	37%

Reservoir	Current Elevation	Current Storage Acre-Feet	Current % Capacity	Projected Elevation on 1/1/2019 ¹
Lake Mead	1,076.6	9,754,000	37%	1,077.7
Lake Powell	3,608.4	12,711,000	52%	3,588.5

Data retrieved July 8th, 2018
¹ Based on Reclamation's June 2018 24 Month Study.

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Summary

Lake Powell

- Upper Basin cumulative precipitation is at 69% of average.
- Upper Basin snowpack peaked April 9th with 74% of average.
- Glen Canyon Dam will release above average flows in 2018.

Lake Mead

- Currently a shortage is not projected in 2019.
- Lake Mead is projected to increase about one foot from current elevation by the end of 2018.

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	1,076.6	37%	- 2.8 ft
Lake Powell	3,608.4	52%	- 27.3 ft

Data retrieved July 8th, 2018

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