

The meeting opened at 1:31 p.m. on Tuesday, February 10, 2009, at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada

COMMISSIONERS IN ATTENDANCE

Chairman	Jay D. Bingham
Vice Chairman	Ace I. Robison
Commissioner	Andrea Anderson
Commissioner	Marybel Batjer
Commissioner	Tom Collins
Commissioner	George F. Ogilvie III
Commissioner	Lois Tarkanian

DEPUTY ATTORNEYS GENERAL

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

COMMISSION STAFF IN ATTENDANCE

Executive Director	George M. Caan
Deputy Executive Director	James D. Salo
Chief, Finance and Administration	Douglas N. Beatty
Manager, Energy Services	Gail A. Bates
Assistant Director, Engineering and Operations	Robert Reese
Manager, Hydropower Program	Craig N. Pyper
Manager, Natural Resources Group	McClain L. Peterson
Assistant Director of Energy Information Systems	Joe Dabrowski
Natural Resource Analyst	Esther Valle
Office Manager	Judy K. Atwood
Administrative Assistant III	Janet L. Nuszbaum
Administrative Assistant II	Donna Banks

OTHERS PRESENT; REPRESENTING

Consultant	Sara A. Price, Esq.
Overton Power District No. 5	Mendis Cooper
Overton Power District No. 5	Delmar Leatham
Parsons Constructors, Inc.	Chris Burrows
Southern Nevada Water Authority	Ron Zeagers
Self	Chip Maxfield

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF FEBRUARY 10, 2009**

INDEX

<u>Agenda Item</u>	<u>Subject</u>	<u>Page No.</u>
A.	Conformance to Open Meeting Law	1
B.	Approval of minutes of the January 13, 2009 meeting	1
C.	Consideration of and possible action to adopt Colorado River Commission Resolution 2009-1, commending Chip Maxfield for his service to the Commission	1
D.	Consideration of and possible action to approve Amendment No. 3 to a contract for legal services of an independent contractor with Sara A. Price, Esq.....	2
E.	Consideration of and possible action to ratify the Colorado River Commission’s Petition for Limited Intervention in Docket No. 08-12002 before the Public Utilities Commission of Nevada.....	2
F.	Consideration of and possible action to approve the assignment of Contract No. SA-06-01 from Incuity Data Solutions, Inc. to Progressive Software Solutions, Inc.	3
G.	Consideration of and possible action to approve Amendment No. 2 to Contract No. SA-06-01 with Progressive Software Solutions, Inc. for Substation Automation System Support Services	3
H.	Consideration of and possible action to approve a contract for services of an independent contractor with Parsons Constructors, Inc.....	4
I.	Status Update: Report on the status of the Tronox, LLC bankruptcy, and steps taken to obtain assurance of payment for hydropower.....	4
J.	Status update on the hydrologic conditions, drought, and climate of the Colorado River Basin and Nevada’s consumptive use of Colorado River water	4

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF FEBRUARY 10, 2009**

INDEX

<u>Agenda Item</u>	<u>Subject</u>	<u>Page No.</u>
K.	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.)	5
L.	Comments and questions from the Commission members.	5
M.	Selection of the next possible meeting date.	5
N.	Adjournment.	5

The Colorado River Commission meeting was called to order by Chairman Bingham at 1:31 p.m.

The Pledge of Allegiance was then recited.

The Commission's newest member, Commissioner Tom Collins, was introduced.

Executive Director George Caan requested that Item H be removed from the agenda until further notice.

Commissioner Tarkanian moved for approval. Commissioner Batjer seconded and the motion to remove Item H was approved by a unanimous vote of the Commissioners present. Commissioner Ogilvie was not present for the vote.

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 January 13, 2009 meeting.

Vice Chairman Robison moved for approval of the minutes of the January 13, 2009 meeting as written. Commissioner Tarkanian seconded the motion, and the motion was approved by a unanimous vote of the Commissioners present. Commissioner Ogilvie was not present for the vote.

C. Consideration of and possible action to adopt Colorado River Commission Resolution 2009-1, commending Chip Maxfield for his service to the Commission.

Mr. Caan read into the record Colorado River Commission Resolution 2009-1 commending Mr. Chip Maxfield for his service to the Commission.

Commissioner Ogilvie arrived at this time.

Commissioner Tarkanian moved to approve the resolution. Vice Chairman Robison seconded the motion, and the motion was approved by a unanimous vote.

The Commission members expressed their appreciation and gratitude for the hard work, expertise, and insight that Mr. Maxfield provided while serving on the Commission.

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

D. Consideration of and possible action to approve Amendment No. 3 to a contract for legal services of an independent contractor with Sara A. Price, Esq.

Mr. Caan stated that since 2005, the Commission has utilized Ms. Price as a special consultant on matters concerning the Lower Colorado River Multi-Species Conservation Program and related environmental and water matters, as directed by the executive director. Amendment No. 3 extends the termination date of the contract to April 12, 2011 and increases the rate for services performed under this Contract from \$190 to \$210 per hour.

Vice Chairman Robison made a motion to approve the amendment. Commissioner Ogilvie seconded the motion, and the motion was approved by a unanimous vote.

E. Consideration of and possible action to ratify the Colorado River Commission's Petition for Limited Intervention in Docket No. 08-12002 before the Public Utilities Commission of Nevada.

Senior Deputy Attorney General Ann Pongracz stated that on December 1, 2008, NV Energy (formerly known as Nevada Power Company) filed a general rate case with the Public Utilities Commission of Nevada. In this case NV Energy proposes a number of major rate changes affecting commercial and residential customers. NV Energy's filing also proposes a ratemaking treatment for the hydropower it is allocated from Hoover Dam. This Commission is responsible for allocation of the hydropower among specified Nevada customers. The Commission purchases power from the Boulder Canyon Project (generated by Hoover Dam utilizing Colorado River water), pursuant to Schedule B of the federal Hoover Power Plant Act of 1984. This power is referred to as "Hoover B" power. The Commission's regulations set forth at NAC 538.540(3) require that "The Nevada Power Company shall pass through to its residential class of ratepayers the benefits of power from Schedule B."

NV Energy's rate case filing includes testimony addressing the company's ratemaking treatment of Hoover B power. Commission staff filed a petition with the Public Utilities Commission for limited intervention in the proceeding to address the proposed treatment of Hoover B power, which was granted on January 28, 2009.

The purpose of this agenda item is to request ratification by this Commission of the petition for limited intervention.

Chairman Bingham asked what percentage of power Nevada Power receives from Hoover Dam. Mr. Caan replied that Nevada receives approximately 25 percent of Hoover power and that NV Energy receives approximately 50 percent of the total Nevada allocation, which equals about 2 percent of the power from Hoover Dam. Chairman Bingham then asked what the NV Energy's cost was and Mr. Caan replied it was between two and three cents.

Vice Chairman Robison asked for clarification on the meaning of limited intervention.

Ms. Pongracz explained that general rate cases have three major phases which are cost of capital, revenue requirement, and rate design. The Colorado River Commission's petition for intervention is limited to consideration of the ratemaking treatment of Hoover B power in the rate design phase of this case.

Commissioner Ogilvie stated he would abstain from voting due to a potential conflict of interest.

Commissioner Batjer made a motion to ratify the petition for limited intervention. Vice Chairman Robison seconded the motion, and the motion was approved by a unanimous vote with one abstention.

F. Consideration of and possible action to approve the assignment of Contract No. SA-06-01 from Incuity Data Solutions, Inc. to Progressive Software Solutions, Inc.

Mr. Caan said that Items F and G were related and asked the Commission to act on them at the same time. Chairman Bingham agreed to the request.

Assistant Director of Engineering and Operations Robert Reese stated that Contract No. SA-06-01 for Substation Automation System Support Services between the Colorado River Commission of Nevada and Incuity Data Solutions/Progressive Software Solutions, Inc. (Incuity/Progressive). Incuity/Progressive is under contract to provide the Commission with operation and maintenance support of the Supervisory Control and Data Acquisition (SCADA) system by providing programming assistance and modifications to our systems.

Mr. Reese further stated that in accordance with Section 27 of the original contract, on January 23, 2009 Progressive Software Solutions, Inc. sent a letter to the Commission requesting the assignment of Contract No. SA-06-01 to Progressive Software Solutions, Inc. from Incuity Data Solutions, Inc., which is shifting all of its business activities to Progressive, its parent company.

G. Consideration of and possible action to approve Amendment No. 2 to Contract No. SA-06-01 with Progressive Software Solutions, Inc. for Substation Automation System Support Services.

Mr. Reese stated that Amendment No. 2 of the existing contract SA-06-01 will provide an increase in price to provide for upcoming projects such as Southern Nevada Water Authority's (SNWA's) IPS 3 pumping station, the Clean Water Coalition's (CWC's) temporary substation, and the CWC's permanent substation. The proposed increase in the contract's not-to-exceed price is required in order to complete the anticipated scope of work. Accordingly, Amendment No. 2 has been prepared to increase the contract price from \$325,000 to \$400,000. All other terms and conditions of the original contract will remain the same.

Vice Chairman Robison asked if these expenses are reimbursable from SNWA. Mr. Reese replied that the funds are included in the Power Delivery Project and are covered by SNWA and CWC.

Vice Chairman Robison made a motion to approve the Agenda Items F and G. Commissioner Collins seconded the motion, and the motion was approved by a unanimous vote.

H. Consideration of and possible action to approve a contract for services of an independent contractor with Parsons Constructors, Inc.

This item was removed and will be brought back at a future Commission meeting.

I. Status Update: Report on the status of the Tronox, LLC bankruptcy, and steps taken to obtain assurance of payment for hydropower.

Ms. Pongracz provided an update on the bankruptcy of Tronox, LLC (Tronox). Tronox filed in January for Chapter 11 Bankruptcy protection. The Commission staff has been working to protect the Commission's interest in negotiating advance payments during the bankruptcy period. Staff has retained bankruptcy counsel Brownstein Hyatt Farber Schreck, LLP and is negotiating to set up a system for twice monthly advance payments. In addition, staff is in the process of proceeding against Tronox's bond in a prepetition amount of \$59,000.00.

The court has not yet finalized procedures. Commission staff is working ahead of the court finalization of its procedures to negotiate an agreement with Tronox for how payment will be made. At this point Tronox is very motivated to work with the Commission staff and the Commission will continue to be apprised of the process.

Delmar Latham of Overton Power District No. 5 addressed the Commission regarding how Tronox's share of hydropower might be reallocated, and expressed an interest in participating in any reallocation that may occur in the future.

J. Status update on the hydrologic conditions, drought, and climate of the Colorado River Basin and Nevada's consumptive use of Colorado River water.

Natural Resources Analyst Esther Valle provided a brief slide presentation and report on the January 26-29, 2009 USA-Mexico Water Tour she and Natural Resources Program Manager McClain Peterson participated in.

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

Ms. Valle provided a report on the following:

- Unregulated inflow into Lake Powell
- Storage conditions on the Colorado River

- Precipitation in the Colorado River Basin
- Lake Mead elevation projections
- Lake Powell elevation projections
- 2009 Annual Operating Plan
- U. S. drought monitor
- U. S. Seasonal drought outlook
- 3-Month temperature outlook
- January – December 2008 precipitation for Clark County
- 3-Month precipitation outlook
- Water use in southern Nevada

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

K. 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 Bingham asked if there were any comments or questions from the public. There were none.

L. Comments and questions from the Commission members.

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

M. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, March 10, 2009, at the Clark County Government Center in the Clark County Commission Chambers.

N. Adjournment.

The meeting adjourned at 2:25 p.m.

George M. Caan, Executive Director

APPROVED:

Jay D. Bingham, Chairman