

# MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

APPROVED: JULY 9, 2013

## MINUTES OF THE REGULAR BOARD MEETING HELD TUESDAY, JUNE 4, 2013 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT ("THE DISTRICT")

### CALL TO ORDER.

The meeting was called to order at 4:00 p.m.

### PLEDGE OF ALLEGIANCE.

Mr. Steve Buck led the Pledge of Allegiance.

### ROLL CALL.

Present: Charles B. ("Chip") Sherrill, Jr., Chairman, Director District III  
Joseph Hancock, Director Division II  
Clay Vanderslice, Director At Large  
Perry Muscelli, Treasurer, Director At Large  
Mark R. Clark, Manager  
Cecily ("CeCe") Preusser, Administrative Assistant

Absent: John Kai, Jr., Director, Division I  
Jamie Kelley, District Counsel

**WAIVER MOTION.** Motion to waive the reading of full minutes and resolutions presented for approval or adoption.

Mr. Muscelli made a motion to waive the reading of full minutes and resolutions presented for approval or adoption. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

### 1. REPORTS.

A. Staff report on water use.

Mr. Clark directed the Board's attention to the Water Use Report for April. Mr. Clark advised that we are now showing, in addition to the type of use (utility, agricultural, amenity, etc.), we are also showing the breakdown between PPR use and 4<sup>th</sup> priority use. All of the PPR's that are used within the District convert to 4<sup>th</sup> priority, but we want to show the Bureau of Reclamation that we are using the PPR's within the District.

Total water usage for the month of April was 2,127 acre feet.

There were no questions.

- B. Bureau of Reclamation Lower Colorado Water Supply Report, Snowpack Report and Lake Powell Water Data Graph for May, 2013.

Chairman Sherrill stated that this month's report was worse than last months. The snow melt, the run off, nothing is happening and this could be the worst year we have seen in 10 years. The total system content is at 52% as of May 27, 2013, 10% less than that of last year.

Mr. Steve Buck inquired as to whether the reports were based on the Hoover level rather than percentage, and that water may be obtained from Glen Canyon. Chairman Sherrill stated that there is an adjustment, which he suspected that would happen this month. When Lake Mead gets down to a critical point, Lake Powell has agreed to release water so that the generators don't heat up or blow up.

- C. USDA National Agricultural Statistics Service: Arizona Crop Report for month of May, 2013; Arizona Agri-Weekly for month of May, 2013.

Chairman Sherrill advised that there were no surprises in these reports. Some crops have gone, i.e., cotton, and some crops to compensate. The farming acreage seems to be about the same as last year, just changing rotation to different crops.

- D. Arizona Meteorological Network Monthly Summary for May, 2013.

No discussion.

- E. Colorado River Accounting and Water Use Report for the States of Arizona, California and Nevada, Calendar Year 2012, as transmitted by the Bureau of Reclamation, Lower Colorado Regional Office.

Mr. Clark pointed out that the consumptive use for Arizona is 2.789, so we are just below our allocation of 2.8.

- 2. **AGENDA MODIFICATION.** Possible action to withdraw from, or move, any item on the Agenda, including the removal of an item from the Consent Agenda.

Mr. Clark suggested that Item 3F, Village Estates, Tract 4198, Phases B-F and Parcel A be pulled from the Consent Agenda as this item needed to be considered for a Conditional Final Allocation rather than an extension of the Preliminary Allocation. The Developer has submitted all relevant paperwork so Item 3F needs to be considered for a Conditional Final Allocation.

Mr. Muscelli suggested that Item D, Mohave Crossing Shopping Center, and Item E, Mohave Commerce Center, also be pulled from the Consent Agenda and be discussed as Regular Agenda items as the Developer of these projects were requesting a one (1) year extension on the Preliminary Water Allocations, and the Board wanted to discuss these projects as Regular Agenda items.

Chairman Sherrill clarified that Items D, E, and F would be removed from the Consent Agenda and added to the Regular Agenda for discussion. Mr. Sherrill stated that Items A, B, C and G would remain on the Consent Agenda for approval.

Mr. Hancock made a motion to approve Items A, B, C and G of the Consent Agenda. Mr. Muscelli seconded the motion. All were in favor, motion passed.

**3. CONSENT AGENDA.** *The items listed below will be considered as a group and acted upon by one motion with no separate discussion of said items, unless a Board Member requests an item or items be removed for separate discussion and action.*

A. Approve the May 7, 2013 Meeting Minutes.

B. Ratify payment of expenses for May, 2013.

C. **RESOLUTION NO. 2013-08, RESOLUTION TO AMEND THE DISTRICT FEE SCHEDULE AND DISTRICT PAYMENT RULES.** Approve the adoption of Resolution 2013-08, which seeks to amend the District Fee Schedule and Payment Rules, in accordance with the Board's action on May 7, 2013 approving the amendment to the District Fee Schedule and Payment Rules.

D. **MOHAVE CROSSING SHOPPING CENTER, T19N R22W SEC 22.** Approval of a one (1) year extension, retroactive to December 10, 2012, of the preliminary water allocation of 50.55 acre feet, which will expire December 10, 2013.

[Removed from Consent Agenda.](#)

E. **MOHAVE COMMERCE CENTER, T19N, R22W, SEC. 22.** Approval of a one (1) year extension of the preliminary water allocation of 28.21 acre feet, from August 10, 2013 through August 10, 2014.

[Removed from Consent Agenda.](#)

F. **VILLAGE ESTATES, TRACT 4198, PHASES B-F AND PARCEL A, T18N, R22W, SEC. 3.** Approval of a one (1) year extension of the preliminary water allocation for Phases B-F and Parcel A in the amount of 148.84 acre feet, which expired on May 10, 2012, from May 10, 2012 to May 10, 2013; and a further one (1) year extension of the preliminary allocation to May 10, 2014.

Removed from Consent Agenda.

- G. **TWIN PALMS ESTATES, TRACT 4189, T19N, R22W, SEC. 36.** Approval of a one (1) year extension of the preliminary water allocation of 19.73 acre feet from May 10, 2013 through May 10, 2014.

Mr. Hancock made a motion to approve Items A, B, C and G of the Consent Agenda. Mr. Muscelli seconded the motion. All were in favor, motion passed.

#### 4. **REGULAR AGENDA.**

- A. **BAY, DOUGLAS & TRUDY, HIGHWAY 95 PALM TREE FARM, T18N, R22W, SEC. 15.** Discussion and possible action to approve the Application For A Preliminary Allocation requesting 10.13 acre feet of water for 4.5 acres for a palm tree farm/nursery.

Mr. Clark stated that this would be a small user agricultural contract. Chairman Sherrill asked how much of their fee Mr. and Mrs. Bay had paid so far. Mr. Clark answered that they had paid the first third of their allocation fees, and that a balance of \$425.50 was remaining.

Mr. Muscelli made a motion that the Preliminary Water Allocation be approved and, pending the payment of the balance of the fees, a small user contract be issued. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- B. **MOHAVE CROSSING SHOPPING CENTER, T19N R22W SEC 22.** Approval of a one (1) year extension, retroactive to December 10, 2012, of the preliminary water allocation of 50.55 acre feet, which will expire December 10, 2013.

This was Item D on the Consent Agenda. Chairman Sherrill opened the discussion. Mr. Muscelli asked what proof of forward progress Kaplan Real Estate Company had offered. Mr. Clark stated that Kaplan Real Estate had submitted documentation showing some marketing progress, but that no physical progress in this development. It was discussed and agreed that aggressive marketing is not really forward progress and that water allocations should not be tied up with projects that are not being developed. Mr. Clark suggested that the Board grant a six (6) month extension of the Preliminary Water Allocation, and that the project could be re-evaluated at the end of the six month period.

Mr. Muscelli made a motion that Mohave Crossing Shopping Center be granted a six (6) month extension of the Preliminary Water Allocation and directing staff to forward a letter to Kaplan Real Estate explaining that in

order for the Board to consent to another extension, proof of physical forward progress must be shown. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- C. **MOHAVE COMMERCE CENTER, T19N, R22W, SEC. 22.** Approval of a one (1) year extension of the preliminary water allocation of 28.21 acre feet, from August 10, 2013 through August 10, 2014. This was Item 3E of the Consent Agenda. This project is also being developed by Kaplan Real Estate. Mr. Muscelli questioned as to whether the circumstances of this development were the same as those for Mohave Crossing Shopping Center. Mr. Clark advised that they were.

Mr. Muscelli made a motion that Mohave Commerce Center be granted a six (6) month extension of the Preliminary Water Allocation and directing staff to forward a letter to Kaplan Real Estate explaining that in order for the Board to consent to another extension, proof of physical forward progress must be shown. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- D. **VILLAGE ESTATES, TRACT 4198, PHASES B-F AND PARCEL A, T18N, R22W, SEC. 3.** Approval of a one (1) year extension of the preliminary water allocation for Phases B-F and Parcel A in the amount of 148.84 acre feet, which expired on May 10, 2012, from May 10, 2012 to May 10, 2013; and a further one (1) year extension of the preliminary allocation to May 10, 2014.

This Item was Item 3F on the Consent Agenda. Chairman Sherrill stated that this item was not being considered for a one (1) year extension, but for a Conditional Final Allocation. Chairman Sherrill stated that the developer had submitted all required documentation and now needed a letter approving the Conditional Final Allocation from the District so they may go before the County Board of Supervisors for approval of their plan.

Mr. Hancock made a motion to approve the Conditional Final Allocation. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

## 5. PUBLIC INPUT.

Tony Feiter, from Levine Investments, addressed the Board and stated that, as developer of Marina Coves, their organization was very interested in working with the District to obtain effluent from the City of Bullhead for use in the Marina Coves lakes, and were willing to participate and provide what ever help was necessary to get the effluent pipeline connection up and running.

The Board was then addressed by Frank Curcio, who is planning to develop the remainder of the Marina Coves project. Mr. Curcio gave a brief

description of what plans were currently underway for the future development of Marina Coves. Mr. Curcio also emphasized that he was also on board with bringing reclaimed water from Bullhead City and was willing to lend whatever support and help he could to get the pipeline going.

Mr. Steve Buck, representing the Bella Vista Homeowners Association, addressed the Board with the concern that, if water shortage conditions continued to worsen, would the BOR simply cut off the water to their lakes? Chairman Sherrill answered that the BOR will go into the Shortage Sharing Agreement, which states that, agriculture number one will take a hit. Farmers will have to fallow ground in order to free up some of the water that is being used at this time. Second, the cities, municipalities and water companies will have to come up with a conservation plan that will satisfy the Bureau of Reclamation that will conserve water. Chairman Sherrill also stated that he did not believe that the District would face a shortage this year, but if we don't get a decent snow pack next year, the whole District will take a hit. He also stated that the farmers would most likely take the first hit, and be asked to give up some of their acreage and farming in order to make some water available so that the municipalities are not the first hit.

Chairman Sherrill stated that the way the BOR is looking at the water shortage, is our water in 2026 will be reduced by allocated and not by use. Until 2026, our allocation is determined by use, so from now until 2026 the District is in a better situation. After 2026, should the BOR get into a shortage agreement, then we will get into our usage instead of our allocated, and that will be detrimental to the District.

Mr. Curcio then asked what current status of the agreement between the District and Bullhead City, i.e., moving the concept down the road. Chairman Sherrill stated that the concept was there and had been for awhile. Mr. Sherrill stated that in negotiations of this type, the end user was all important. While Bella Vista and Marina Coves, may be on board with the concept, there are other amenities in the District that are less than cooperative and willing to wait until 2017 to see what happens. Chairman Sherrill stated that it was vital to have the cooperation of all the amenities in the District and said to Mr. Curcio that if he could get the rest of the end users together, that would be great.

Mr. Curcio asked what the estimated budget of the project was. Chairman Sherrill advised that it would be approximately 4 to 5 million dollars, which would only cover the area from Bullhead City to El Rio.

Chairman Sherrill stated that the District needed help in reaching this goal. The District is not in the position to finance a project of this proportion and would need the participation of all of the end users to accomplish the goal. Chairman Sherrill stated that if the legislature would change the wording in

the law and revise the legislation, the District could obtain the money from WIFA. At this time, the District is working on changing the legislation.

A question was then raised by Mr. Curcio as to whether Bullhead City had the A+ effluent available. Mr. Clark explained that Bullhead City was currently pumping A+ effluent into evaporation ponds. He also stated that there was already an agreement in place between the City of Bullhead and the District to sell the effluent to the District. Obtaining the water is not the problem. Getting the water out to the District is the problem.

**6. ADJOURNMENT.**

Mr. Muscelli made a motion to adjourn the meeting. Mr. Vanderslice seconded the motion. All were in favor, motion passed. The meeting adjourned at 4:45 p.m.