

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

**MEETING MINUTES OF THE REGULAR BOARD MEETING
HELD OCTOBER 03, 2017 AT THE OFFICES
OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT
1460 E. Commercial Street, Mohave Valley, AZ 86440**

CALL TO ORDER. Chairman, Charles B. Sherrill, Jr., called the meeting to order at 4:06pm.

PLEDGE OF ALLEGIANCE. Vince Vasquez led the Pledge of Allegiance.

ROLL CALL.

Present: Charles B. Sherrill, Jr., Chairman/Director Division III
Vince Vasquez, Director Division II
Clay Vanderslice, Director at Large
Perry Muscelli, Treasurer/Director at Large
John Kai, Jr., Director Division I
Michael J. Pearce, District Counsel
Mark R. Clark, CCM, Manager
Kerri Hatz, Administrative Assistant

Absent: None

WAIVER MOTION. Motion to waive the reading of full minutes and resolutions presented for approval or adoption. Perry Muscelli made a motion to waive the reading of the minutes, John Kai, Jr., seconded the motion. All in favor, motion passed.

1. REPORTS.

- A. Staff report on water use. Manager Mark Clark reported for the eight months ending August we have used 27,940 acre feet of water this year, 24,104 of that was AG use, 3,835 of that was M & I use. Last year at the same time we used 25,876 acre feet of water, 21,717 of that was AG use and 4,160 was M & I use. We have used 2,000 acre feet more this year compared to last year.
- B. Bureau of Reclamation Lower Colorado Water Supply Report. Mark Clark reported that Lake Mead is finally coming up, it has been running at an elevation of 1,080 and is now at an elevation of 1,082. Lake Mead is now 39% full, Lake Powell is 60% full and the total system is 55% full.

- 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. The Board has made a decision to swap items on the agenda and discuss item 4C first and then item 4B. Vince Vasquez made a motion to swap the items on the agenda, John Kai, Jr.,

seconded the motion. All 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. Vince Vasquez made a motion to approve, John Kai, Jr., seconded the motion. All in favor, motion passed.

- A. Approve the September 05, 2017 Executive Meeting Minutes.
- B. Approve the September 05, 2017 Regular Meeting Minutes.
- C. Ratify payment of expenses for September 2017

4. **REGULAR AGENDA.**

- A. **Powers-Leavitt Insurance Agency, Inc.** Discussion and possible action to approve the Insurance Proposal for November 08, 2017 to November 08, 2018. Mark Clark stated that this Annual Insurance Proposal is exactly the same coverages and pricing as last year. Staff is recommending approval. Perry Muscelli made a motion to approve, Clay Vanderslice seconded the motion. All in favor, motion passed.

- C. **Resolution 2017-03: Opposing the proposed transfer of 4th Priority Water from Quartzsite to Central Arizona.** Discussion and possible action to approve resolution 2017-03. Perry Muscelli asked Mark Clark to explain this resolution. Mark Clark stated that this is a resolution created by MCWA, which passed a similar resolution at their board meeting in September. They asked that all of their members agencies, Bullhead City, Lake Havasu City, Mohave County, MVIDD, Mohave Conservation District and Golden Shores, to pass a similar resolution. Perry asked Mark to explain the content of the resolution. Mark replied that the town of Quartzsite is looking at leasing their Colorado River Water Allocation of 1,070 acre feet to CAP for use within the Phoenix and Tucson service area. This would be the metropolitan Phoenix and Tucson areas and everything in between. This resolution, passed by the MCWA, would be to object to that transaction. Vince Vasquez spoke and said his overall take on this is that this transaction was negotiated between willing buyers and sellers and Quartzsite is responsible for their own water supply and decision making. For us to interfere and inject ourselves, to think we know better and what is good for their city, is beyond our scope. This resolution and matter in general is not our business and we need to stay out of it. Richard Park asked how this is going to affect our allocation. Vince replied zero. Several spoke at the same time saying

this about Quartzsite water and not ours in the district. Vince said this is a matter of making a political statement objecting to this. Clay Vanderslice stated we don't have enough information on this. Richard Park asked where Quartzsite gets their water. Chip state it is a Colorado River Allocation, just like the Kingman Allocation where they are 30 to 40 miles away from where they can pump the water. They got an allocation from the Bureau of Reclamation for 1,070 acre feet of water but have no way of pumping that water economically to get it to Quartzsite. Kingman had the same situation where they had a water allocation and could not get the water to Kingman so they worked with MCWA to distribute the water within the cities that could use it, such as Bullhead, Mohave Valley, and Lake Havasu City. Quartzsite has never used that water to date. Richard asked how do they get their water now? Chip and Vince replied ground water. Chip stated that they want to take this water and do a deal with CAP for 25- 50 years and transfer the water to Phoenix. Phoenix will be able to use that water and Quartzite will get compensated for that water being transferred to Phoenix. Quartzsite wants to improve their underground water system and use those monies to do so. Vince stated if we opposed this resolution I would think that Quartzsite would be upset at the prospect of any of us opposing this opportunity for a deal they deem to be in their best interest. Vince made a motion that we take no action on this resolution for all the reasons he stated before. Lois Wakimoto said I believe you are right, they have decided what is right for their area and their district, however, they have to work through the Bureau of Reclamation and this is the first step of taking Colorado River Water Allocations to Phoenix and Central Arizona. They have 90 % of the water already and a statement saying that we do not support this does not mean that this is going to kill the deal. We don't want Colorado River Water Allocations leaving this area. This is my District and the next item you are addressing is a resolution regarding MVIDD. I believe you are all good people and you care about the areas that you live in, you do good things for your communities and you look out for your community and you are connected. Three of you on the board do not live here, there is no connection here, there is a disconnect. But, I live here, this is my district, the people that live here pay taxes to the District. If we let water leave this area and go to Phoenix, the water will never come back. It will stifle the growth in this area, economic development and population growth, once water goes to Central Arizona it is never coming back, it doesn't matter if the lease is for ten (10) years, it will never come back, because once you are servicing the population, the state is not going to say they are taking that water back because ten (10) to twenty (20) thousand people are going to suffer. Being in favor of this resolution is making a statement for MCWA and is just a statement that we are united and this is what we want. Chip said and in defense of that. CAP did a pilot program down in Yuma and they transferred water for three (3) years to Phoenix and the water did come back because it was a three (3) year program and they had a chance to make it a longer program somewhere down the line. Chip said he wants everyone to understand that not all Colorado

River water used for a fallowing program, like they did with the Pilot Program, leaves and then does not come back, because this water did come back. The farmers stopped doing the lease and the transfer, and all water has remained on the river. Lois stated we are 4th Priority water and we have to fight for what we have and to keep what we have right now. Vince stated we have nothing to do with Quartzsite. Vince stated he has to reclude himself from the next item and I don't want them to commingle. I have a motion on the floor to take no action on this current resolution. Perry Muscelli seconded the motion. Chip asked if there was any more discussion. A member of the public asked if this was an open forum and Chip said yes. He continued to say that you are right what you have said, but as Lois has said there is a precedent situation here both with the Quartzsite Resolution and the next item coming up. Yes, CAP was involved with the Yuma Mesa Irrigation District and a Pilot Program that was a set situation, this isn't. The Quartzsite deal is twenty-five (25) years, with the option to renew. Twenty-Five (25) years is a heck of lot longer than three (3) years and over time that is just going to be taken for granted. This is a precedent situation. They only have 164,652 acre feet of 4th Priority Water that has been designated for our use for the river communities, irrigators and the tribes. However, this intrusion sets the door open, either legally or however you want to perceive it, for future raids of water on the river on River Communities and farmers and everything else that is here. This is not a simple "we are not getting into someone's business," This is a much bigger picture, setting brand new tones as far as I am concerned for the water world in our region that will rip a tide towards Phoenix and Tucson for them to get more wet water so the developers can build more and more. This is a whole different level, this is not a simple transaction, this is the FIRST. I have seen raids coming on Bullhead City for unused water allocations that we are saving for future growth. They may say you don't need it now, we do and we have this precedent. So there is a lot more to this situation. Vince stated there is no coercion, they have made a conscious decision, they know their own hydrology and their own growth perceptions and they know their own economic situation and all other factors. The people that manage their asset, they made this decision. A member of the public said you know water flows toward money. Chip stated that there is another thing about the Quartzsite situation and that is Bureau of Reclamation has not recognized that water even exists because they have not been able to use the water beneficially and they have not used it, they have not spent money on development, no engineering, they just said we are not using it now we what to go ahead a sell it. They will probably lose it. If they lose it, it will stay on the river and be on the river. No one will be able to use it or it could go to a treaty for the tribe. Who knows? Those are the only two things that could happen besides the proposal to lease to CAP for the Phoenix area so they can make an economic move to take the money and develop their infrastructure for the groundwater. I understand Lois we are all here to voice our opinions and bring it all up, and for Doyle, the same thing. And there must be more than these two or three that want to say

something. Dan stated we have been here a long time since the early 70's. We've developed subdivision projects both inside this district and more so up in Bullhead City. I don't really feel it is fair to equate a test program in Yuma as equivalent to what is being discussed with the Quartzsite water. I don't know the ins and outs of the contract involving the Yuma test project, nor do I know the total contract terms of the Quartzsite transfer but we are talking about a test period of two to three years verses a 50 year lease situation with Quartzsite. We are talking about two significantly different animals. Chip stated no doubt about it. Dan continued the old saying is applicable here; when the camel gets his nose in the tent, pretty soon he becomes the tent. I think that is highly likely what is going to occur in this instance and I don't think anybody that lives in this District or in our area along the river, meaning Havasu, Parker or Bullhead City or Mohave Valley is here to discuss protecting the best interest of Quartzsite. Our obligation, our responsibility, our duty is to protect our communities. And taking no stand on what may well be a very significant contract over many years turns into permanent situations. What is the Law of the Colorado River? It is ever moving, ever breathing, ever changing and will be an ever changing monster if you would. I think our obligation is to do what should be done for this District, for this community and I don't see that you're protecting this community, this District by saying, well, Quartzsite should be on their own and whatever they decide ought to be their business. I am adamantly opposed to that. I think that is grossly, grossly, erroneous thought process. We're here to protect this district, our community and this isn't doing that. Another member of the public spoke, and said that the Kingman water transfer still stayed in the river communities, that's because 2,200 vertical feet in 30 miles between that water source and where Kingman could use it is really economically not feasible. But between the river and Quartzsite, 18 miles, and 607 feet, every farmer here knows that you can pump water 607 feet vertically no problem, they do it in the AMA's all day long. 607 vertical feet in 18 miles is not a big ticket item, it's a ticket, but it's not a big ticket. Again, I am concerned. Chip spoke up and said that it is a big ticket item for 1,000 acre feet of water. A member of the public asked compared to value of the water? Chip replied he is not sure of the value of the water as you know that certain people have a difference of opinion to the value of the water. Who knows what it is, it is so valuable and will be as the future goes on, you can't predict what is it worth. We can say it's worth \$10,000 an acre and six years down the road it be worth \$100,000 and you're right 600 feet up and across 18 miles is a hell of a lot to pump and Quartzsite does not have the money to even take care of their other stuff. I know that for a fact, and how will they get the money other than a Federal Program to pump that water to them? The problem is they have not done it. They have not gone out and got the money, I am not criticizing Quartzsite, I am just throwing this out there so that everyone understands that it is a long way to pump for a 1,000 acre feet of water 607 feet is a long way to pump up then to gradually feed down to Quartzite, I am assuming that is what you were thinking could happen once you get over the

mountain. But that is all infrastructure and cost lots and lots of money. Chip asked if anyone else wanted to speak, Lois Wakimoto said Mohave County does not have the monies compared to CAP. It is not an equal base. We don't have the money like CAP to buy water. Doyle stated that MCWA tried to approach Quartzsite in regards to purchasing the water and they would not even talk to them, we were interested in buying the water and dividing it up just like we did in Kingman and keep the water on the river. Fred stated that the issue at hand is what is in the best interest of MVIDD, and by making a statement that Quartzsite will not impact us is wrong, it will have an impact on our District. So therefore, how could you not vote to stop this transfer? Richard Park asked if CAP plans on transferring the water, Chip replied that they do but there is still a question of whether or not Quartzsite even has a water allocation because it is water that has not been used. The Bureau of Reclamation will ultimately look at and review it and they could possibly say that the water has not been used for twenty-five (25) years, and the old saying is that if you don't use it you lose it. It may be very possible that unless they spend money on the infrastructure and everything else, the water may not exist any longer and will be in the river and nobody is going to get it, including CAP. Perry Muscelli spoke up and said if it does exist then the Bureau of Reclamation is going to have to make a decision of whether they approve or disapprove of this transfer. Chip spoke up and said yes that the Bureau of Reclamation makes the decisions on any water transfers or distributions of water throughout the valley or anywhere else up and down the river. Perry asked if they are truly doing a transfer if they are leasing it? Chip replied, if you do a lease or a fallow program, even if it is a year or a pilot program, it is considered a transfer, is it not Mike? (Referring to Michael Pearce, District Counsel) Mr. Pearce stated by ADWR believes that it is. Mr. Pearce stated the BOR would probably prefer to stay out of that issue. Richard Park stated that this would then be an issue between Phoenix and the BOR? This has nothing to do with the Quartzsite water because that's who wants the water. Phoenix CAP will get in there with the BOR and say look we need the water down here so go ahead pay them off so we can get it. This thing is going to go through. Chip stated I don't know. Vince stated that this process begins in November and this is a state process. Mr. Pearce stated it starts with the state of Arizona Department of Water Resources which makes recommendations to the Bureau, and the Bureau has the ultimate decision. A member of the public stated that since the Colorado River Compact, it's been a struggle on the allocation distribution all along the river since day one. But it accelerated considerably in the 80's because population pressures specifically down in Phoenix and Tucson through the CAP and they started to realize they're going to need a lot more water to sustain the population. Ever since then it has been a chipping away at the allocations all up and down the river or attempted chipping away. It hasn't always been successful, but it has been diminishing the overall allocation that gets used along the river. Chip stated that's why they created the AMA's. Chip asked if anyone else had anything to say. No one replied. We

have a motion on the floor, Vince Vasquez made motion that due to this being a transaction between willing buyer and willing seller and approved by both buyers and seller's board of directors and governing bodies, that it is not a matter for our purview and we should not inject ourselves in it and therefore we should take no action on the resolution 2017-03. Perry Muscelli seconded it. All in favor, motion passed.

B. Resolution 2017-02: Opposing the transfer of 4th Priority Water to Central Arizona. Discussion and possible action to approve resolution 2017-02.

Vince Vasquez recused himself from this item on the agenda. Mark Clark stated this is a private party transaction with Water Asset Management and their various subsidiaries and CAGR, Central Arizona Groundwater Replenishment District. They plan to purchase land within the MVIDD District. This resolution was passed by the Mohave County Water Authority (MCWA) at their last meeting in September, a similar resolution was passed by Mohave County in letter form, as well as Lake Havasu City Council last week. Chip stated that Bullhead City is voting on it tonight, Mark replied correct. Chip asked for comments from the public. Chip stated this does effect Mohave Valley, this would be a transfer in the MVIDD District, to approve a transfer of water from Mohave Valley on a fallowing program to go to Phoenix. Chip stated he wished we know more about this, it came out in the newspapers and that CAP has said that they want to buy this property and transfer water from Mohave Valley to Phoenix. We do not have the particulars on this fallowing program. Nobody has come to us from CAGR or CAP or anywhere else to give us the particulars on what they think they want to do and this went into a frenzy in the newspapers. Without any of our knowledge, acceptance of this or rejection for that matter. I want everyone to know that this is exactly what happened here. I am opening this up for discussion. Perry Muscelli asked if the County or MCWA, is it their position to be against fallowing programs? Lois Wakimoto stated that she would like to read the letter that Mohave County wrote... (Please see attached letter). Chip thanked Lois for reading the letter. Perry Muscelli asked if it was the County's position to oppose fallowing programs? Lois replied that they oppose fallowing because it shifts water out. Perry stated so they are against this. Lois said yes. We are against anything that shifts water out of the area, because we have no ground water here. We are reliant on Colorado River water. There are other areas that do not have water and taking that away stifles development in those areas. Perry stated that the water used to produce agricultural product that is exported out of the county, is there opposition to that? Lois stated there is no opposition to agriculture. Perry stated you just don't want the fallowing program. Lois stated that we do not because the water will leave the county. Even on a rotational fallowing program, it has left the county. If you fallow this farm or that farm, then the next year fallow another farm, the water is still leaving the county. Richard Park stated it will never come back if it is sent to Phoenix,

Lois stated the same. Lois stated that now CAP is going to become farmers and they are going to farm I guess. Chip called on Doyle, Doyle stated for your question for MCWA, we have approached MVIDD about eight (8) years ago, seven (7) years ago, Chip stated at least, Doyle stated to do exactly that but within the county borders, Bullhead, Lake Havasu who ever needed it. That didn't really get any traction and kind of went away. I don't know what happened. Chip stated it primarily was the cost, the amount of money that was generated for the fallowing program couldn't keep up with the economics of what the farming was producing, if you remember, it was only so much an acre foot and at that time none of the farmers wanted to fallow at that price. Doyle says he does not remember a price being talked about at all, Chip replied it was somewhere between \$75 and \$100 an acre foot and that there was no offer from MCWA but we talked numbers back and forth and discussed it. Mark Clark stated prices were not anywhere near enough for the farmers not to farm and fallow the land at that point in time. But of course economics are a lot different today than they were back then. The water bank is going to be pretty pricey if we need it in Bullhead or Havasu--if they need to take water out of the water bank. They may be willing to pay MVIDD more for a fallowing program now than what they would have eight (8) years ago. Chip stated he bets that water in storage in Phoenix with the banking authority is going to be at least \$250 an acre foot. Then what would you do with it? A member of the public stated that his comments are even more heavily emphasized on this particular resolution, obviously. Richard Park asked what happens in fifty (50) years around here when this water here gets so bad that you can't farm with it anyways? Chip asked do you mean the salt? Richard said when he got here he had 600 parts per million back in the 70's, now it's running 2,500 to 3,000 ppm, pretty soon this farming is not going to be possible. Chip stated he's not sure that is true, your well may have a hole up on top that's leaking water into your column pipe or into your casing. Richard stated he has a new well at 124 feet. Chip stated you can drill over here and it be 800 ppm then you can drill over there and it be 3,000 ppm, it's just a crap shoot in this valley it's unbelievable. I've seen it, I'm sure you've seen it. Chip and Richard talked back and forth about the ppm in the different areas in the past years. Lois commented that we are deciding on the valley and the people that live here and the population that pays taxes, \$1.50 per acre, and it's not on the assessed value of their land. The monies are paid to the District. Mark Clark stated that most of the cost is paid by the AG users they pay the majority of the District costs and he pointed to a map on the wall, that shows who is paying what. AG users pay the most then the Amenity users and then the M & I customers pay the least amount but they do pay a portion of it. Lois asked if the people of this District are paying something to the Water District and Mark replied yes. Lois stated to the board, you are deciding what is going to happen to their water, they may not pay what the AG pays but everybody in this Water District is charged the tax because they live in this Water District and they use the water. You have to consider the population as you decide what you're going to do with the water. People live in this District, they pay the tax, and they have

no ability to be on the board or vote. You're deciding on the potential growth, the development of this area, either stifling it or stopping the growth. He who has water wins and you guys know this. You are all farmers, he who has water wins, the fight has been going on a long time over water and it's getting pricier and pricier and pricier and to let water out of this District. You're looking at me like you don't understand? (Addressing the Board) It's getting pricier because Quartzsite wouldn't talk to anyone else before they put the dollars out saying we want your water you're not using it. The dollar amount was the most important thing. It must have been important enough for them to say, ok, let's go ahead and sell this. We can't compete with Phoenix, we cannot compete with CAP, we live here this is our community and water should not leave this District. Richard Park spoke up, saying I thought we spoke about this a long time ago about the water not leaving this area? Chip stated we have a policy or a resolution that says water will not be transferred outside the District. That was written in 1990, and it was believed that it was that way before that verbally. Someone asked if we had a copy of that. District Counsel gave a copy of the resolution 90-01 to Lois Wakimoto. Richard Park asked if he followed his 10 acres could his water go to Phoenix, Richard asked could he apply for the following program and send his water to Phoenix and they would just give him a monthly income? Chip stated that they would give him so much per acre foot for the consumptive use basis, not on your allocation. Just because you have seven (7) acre feet allocation for your farm for instance, doesn't mean you are using seven (7) acre feet of water, you may be putting that on top of the ground but part of that is return flow that CAP gets no matter what. We do not get credit for CAP return flow. Your crop may only be using five (5) to five and a half (5 ½) acre feet of water, so that is what you would get paid on. You would not get paid for seven (7) acre feet because you are returning two (2) acre feet. It's a straw, everyone knows what the straw is and it's getting bigger and bigger depending on where you're at and that's how they figure it. Richard Park stated that Phoenix doesn't get his water, Phoenix gets that sweet water pumped out of the Colorado River. If they got my well water they probably wouldn't pay me anything for it. Chip read MVIDD resolution 90-01 (see attached). Lois Wakimoto asked who signed that resolution? Chip replied Charles B. Sherrill, Jr., Clay Vanderslice and Charles Hoover. At the time he was here. Richard Park asked so what has changed? Chip stated he's not sure that anything has changed. Richard asked then why are they trying to approve this resolution. He asked are we voting to change that? Chip stated we are not voting to change that. What we are voting on is something we don't even know what they are doing in my opinion. We think what they are doing is that they want to buy this ground, they haven't even come to the Irrigation District to ask us if they can transfer water or anything else, they haven't come to the District to explain what their program is or anything else. They may come to the District to do a following program. Lois stated I am asking this Board of Directors to support the County and her District and the people she represents in supporting resolution 2017-02 opposing the transfer 4th priority water to Central Arizona as the District Supervisor for Mohave County as

the representative for this area as a representative for the people that live in this area, support me. Clay Vanderslice stated there is a resolution right there, referring to resolution 90-01. Lois stated I am asking for the vote in support. Richard Park stated he doesn't believe we need a vote. Clay stated the same. Lois stated you have something on your agenda. Chip stated we don't have to vote on something that is on our agenda that the board does not want to vote on. We can openly discuss it with the public and the board, it is a discussion item and the board can vote to either make a motion or to discuss it and not to vote on it at all. Perry Muscelli stated he has not been approached, I don't think anyone else in this room except Vince, he may know more than anyone else, but I have not been approached. Perry asked District Counsel if he had been approached, Mr. Pearce stated no. Perry went on to say so no one is telling us anything except what you are telling us and what is stated in this agenda item. I don't have enough information to understand this and I think we have a policy in place, we have a resolution that's in place. I want to know more. I'd like to make a motion that we take no action on this until we have an opportunity to really understand what it would be and to hear from all interested parties including our constituents. I want to know what they want. Richard Park stated that someone has been approached because this is on the agenda here. Chip stated nobody has been approached. Chip stated that we were approached by MCWA, this is where it comes from. MCWA approached us about the MVIDD and the Quartzsite lease deal. I have to wear too many hats, I am also on MCWA, and so it is tough for me too. I am just trying to get this out so that the public understands what's going on. Why MCWA, why Mohave County does not want this to happen, what the opposition is. At the same time, you heard Perry say we don't want to sign something that says we don't know. We don't know and you heard our resolution about transfers, nobody has even come to us, no one has come to us with a pitch on a fallowing program or anything else, this all started because of MCWA and what you read in the paper. Period. That's exactly what this is all about. Nobody has come to us, nobody has asked us and the only thing that has happened is they have made comments in the newspaper that they want to buy the ground and they want to transfer the water to CAGR on some sort of fallowing program. I don't know exactly what all the details are but right now you saw what our policy is. You saw what we have going...Chip called on Dan Oehler, he said would it not be within your power to confirm the existing resolution? Or if you want to call it policy. Chip stated I think we just did, did we not? Dan said I don't think anyone voted to do anything, but to reaffirm the existing policy as the policy or the resolution of this board at this present time. Sam Madrano with Channel 2 news stated, I was going to asked the same question that Dan mentioned before, because it sounds like you want to stand behind the policy but the idea of leaving it open to suggestion gives me as someone who is just here for the first time the idea that you might just be open to changing that policy. So you either reaffirm the policy that currently exists and let that stand as your firm understanding or if you just let it sit there and have someone come back to you. That gives me the impression that you might have

your mind changed. That's what it seems to me. Perry Muscelli stated that he just needs information, I'm very open minded. I am opened minded to the concerns of the County, I am open minded to the concerns of the constituents on this subject, I need more information. To just sit there and think its ok to allow something we don't know anything about, I don't think that is in the best interest of the people. I just need to know more...I don't know what they have in mind I really don't. Sam stated so what you are saying is there is a possibility that there could be something that comes before this board that could possibly at some point in the future to go against your own policy to change your current policy? Perry stated anything is possible. Sam said I want to make sure that is what you are saying. John Kai, Jr., stated that is not what he is saying. We have a policy that stated (at same time) Clay Vanderslice said we don't know enough. They haven't come to us, nobody has. Sam stated I understand that, but if you are going to stand behind your policy, it doesn't hurt to say we are going to stand behind our policy until our minds are changed, but by not doing anything you are basically saying, somebody is going to come back to you to change your mind. Perry Muscelli stated he doesn't know the proper action is, sure I have stood behind policies before and then my mind has been changed, that's true, that's what we are bound by. We are bound by our policies that is a fact, but sometimes the world changes. We need to understand what it is. Chip stated to Dan, I understand your point, which is that it would be up to the board to make the decision whether they are to affirm today, that they support this policy. But the policy is there so we are already supporting this, right? All the board members replied yes. Making a statement that we would never change the policy or anything else would be a ridiculous statement. Policies get changed, and I am not saying that we would not change that one or any other one of our policies. You just can't say that. But as far as what we have right now, that policy says that there are no transfers within Mohave County, ok? Within MVIDD, I mean outside the boundaries of MVIDD. Right Clay? Clay replied yes. Medhe asked, I guess the simpler question is do you believe that the water from this area is to stay in this area under any circumstance? This is to the board members. No one on the board replied. Dan stated he thinks there is an elephant in the room here because we have one person recuse himself so something is going on behind the scenes here already. Chip referred to Vince Vasquez and said he is WPI, WAM. Perry Muscelli stated, I will give you a scenario, so let's say there is a shortage declared on the Colorado River and everyone had major cuts and you could do this to mitigate it, should we change the policy to allow that?, should we do something to accommodate the physical reality of what's happening to the Colorado River system? There comes a point where we have to. Medhe spoke up and said that was not my question sir. I said, do you believe that the water from this area should stay in this area under any circumstance? That was my question. Perry answered no. No just like the scenario I described, if the government says we need more water behind Lake Mead, I think that is worth consideration, we have to weigh everything. I don't have the information to tell you, but I can imagine the scenarios are likely coming

and at some point, I can't say that it is going to be this decade, but it is likely there will be severe shortages. I think we have to be willing to consider all of the possibilities. I don't think we can sit there and today say absolutely not, no matter what happens say we are going to keep every drop here, it just doesn't make sense. Perry said he made a motion, Chip asked him to restate his motion. Perry made a motion that the board take no further action on this item until we have the opportunity to fully understand what the CAGR proposal is and hear from all interested parties. John Kai, Jr., seconded that motion. All in favor motion passed.

5. **PUBLIC INPUT.** Chip asked if there was in other public input. A member of the public asked who puts things on the agenda here. Chip replied that he did. I was asked by MCWA to do so. So I put both items on the agenda. Anyone that lives in or owns property in MVIDD District owns the water and the land, it's not just the farmers' irrigation district it's everyone's district. I am glad everyone came here, this is a good meeting. We haven't seen these people around for many years. Someone asked when our next meeting was, the first Tuesday of every month at 4pm, unless it falls on a holiday, then it's the following Tuesday.
6. **ADJOURNMENT.** John Kai, Jr., made a motion to adjourn, Clay Vanderslice seconded the motion. All in favor, meeting adjourned at 5:23pm.