

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

APPROVED:

MINUTES OF THE REGULAR BOARD MEETING HELD TUESDAY, JULY 10, 2012 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT ("THE DISTRICT")

CALL TO ORDER: The meeting was called to order at 6:05 p.m.

PLEDGE OF ALLEGIANCE: Joseph Hancock led the Pledge of Allegiance.

ROLL CALL: Present: Charles B. ("Chip") Sherrill, Jr., Joseph Hancock, Clay Vanderslice, Jamie Kelley (District Legal Counsel), and Cecily Preusser (Administrative Assistant)

Not Present: Perry Muscelli and John Kai

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

A motion to waive the full reading of the June 5, 2012 Meeting Minutes was made by Mr. Hancock. Mr. Vanderslice seconded the motion. All were in agreement, motion passed.

1. REPORTS.

A. Niblack Engineering System Progress Report for June and July, 2012.

Chairman Sherrill read Mr. Niblack's Status Report dated June 10, 2012. It was noted in Mr. Niblack's report that there is a well that appears to be in the District and not on the Reservation about ½ mile south of wells 21, 22 and 23 and marked "10". Chairman Sherrill noted that the well in question was the new well drilled on the Fincher property. Chairman Sherrill asked if a letter had gone out to the Luveda Fincher Trust with regard to the registration and metering of the well. Staff advised that the letter had not gone out. The Board directed staff to draft a letter to the Luveda Fincher Trust to have the well in question registered and metered.

Chairman Sherrill also discussed the Water Usage Report and stated that it was much better having the well sites numbered 1 through 30 because it was much easier to identify the owners and the locations of the wells. Staff reported that there were specific well sites, notably the McKellips/Gem Land Company well, that were not identified by the original GPS coordinates and property APN numbers provided by Mr. Niblack. Chairman Sherrill directed staff to get with Mr. Niblack and account for those locations and owners of all wells within the District that were not accounted for.

- B. Bureau of Reclamation Lower Colorado Water Supply Report for July, 2012.

Chairman Sherrill discussed the July 2012 Water Supply Report and noted that the total system is at 60%, which is grim compared to the 62% at this time last year. With not much of a snow pack in the mountains, there is not much water coming down which may lead to a water shortage. Chairman Sherrill stated that Lake Havasu and Lake Mohave are always at 92% to 93%, but they are small lakes compared to Lake Mead and Lake Powell, which are at 51% and 63% capacity respectively. Chairman Sherrill stated that there is a program that if Lake Mead gets too low, water from Lake Powell will be released.

- C. Progress Report on the redesign of the MVIDD web page and the review of logo for the District.

Chairman Sherrill discussed the MVIDD logo and advised that there would be a change in the color of the logo, with the background being a light brown so that the depiction of the water on the boundary of the logo would stand out more.

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.

There was no discussion of removal of any items from the Consent Agenda.

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 June 5, 2012 Meeting Minutes.
- B. Ratify payment of expenses for June, 2012.
- C. **El Rio Vacation Villas, Parcel D of Tract 4177A, T18N, R22W, SEC. 11.** Discussion and possible action to approve the request for a one year extension of the preliminary water allocation, from June 10, 2012 to June 10, 2013. In addition, a request for a one year extension of time to remit the remaining allocation payment of \$5,100.00 from June 10, 2012 to June 10, 2013.
- D. Possible action to approve items withdrawn from Consent Agenda.

Mr. Vanderslice made a motion that the Consent Agenda be approved in its entirety. Mr. Hancock seconded the motion. All were in favor, motion passed.

4. REGULAR AGENDA.

- A. Discussion and possible action to approve the MVIDD Annual Budget for the 2012-2013 Fiscal Year.

Discussion took place with regard to the MVIDD Annual Budget. Chairman Sherrill noted that the budget had been discussed in Executive session. Part of the budget proposal deals with an adjustment in the amounts collected for taxes and contract fees. It was discussed raising taxes from \$1.00 per acre to \$1.50 per acre and contract fees from \$2.30 per acre to \$2.60. Mr. Hancock made a motion that Annual Budget Proposal "B" be approved. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- B. Discussion and possible action to establish the tax levy for the 2012/2013 tax year.

Chairman Sherrill stated that the tax levy for the 2012/2013 tax year had already been decided when the 2012-2013 Annual Budget was approved and that taxes would be raised from \$1.00 per acre to \$1.50 per acre.

- C. Discussion and possible action to approve the Mohave County Statement of Tax Levies and Rates for the Mohave County Financial Services meeting on August 6, 2012.

Chairman Sherrill stated that the approval had already been decided when the 2012-2013 Annual Budget was approved. District counsel advised that a motion needed to be made giving Chairman Sherrill the authority to approve and sign Statement of Tax Levies and Rates.

Mr. Vanderslice made a motion that Chairman Sherrill be authorized to sign the Statement of Tax Levies and Rates which would raise taxes from \$1.00 per acre to \$1.50 per acre. Mr. Hancock seconded the motion. All were in favor, motion passed.

- D. Discussion and possible action to establish a fallow plan within the District and to pursue a forbearance agreement with MCWA.

Chairman Sherrill stated that this matter had been discussed in Executive session. It was suggested that this matter be tabled until next session. Mr. Vanderslice made the motion to table the action to establish a fallow plan. Mr. Hancock seconded the motion. All were in favor, motion passed.

- E. Discussion and possible action to raise agricultural water fees.

Chairman Sherrill stated that this matter had been approved at the time that the 2012-2013 Annual Budget was adopted, raising agricultural water fees from \$2.30 per acre to \$2.50 per acre.

- F. Discussion and possible action to establish a new resolution to assess fines for the failure to submit monthly water usage reports.

There still exists a problem with the submission of water reports on a monthly basis. Staff suggests that a new resolution be prepared and adopted which would fine users who regularly continue to fail to submit a report \$100 for the first offense, \$200 for the second offense. The third offense could include a \$300 fine along with a letter stating that by failing to submit the monthly water report, the user is in breach of the water user contract, and continued failure to file the reports could result in the contract being declared in default. Mr. Vanderslice suggested that the District needed to provide some help in filling out the monthly water reports. Mr. Vanderslice stated that although water meters have been installed, no water report had been received by the District. Chairman Sherrill stated that within the Board packet there were water reports that Mr. Nilblack has been providing. Chairman Sherrill stated that monthly water reports had to be submitted by the farmers and they would have to work with the District to insure those reports are submitted. Staff suggested that a letter be sent to the water users who continually fail to submit their reports that the resolution would be put into effect if all water users continued to fail to comply in filing their reports. District counsel stated that the resolution would first have to be adopted, then the letters could go out. Mr. Hancock made a motion to direct staff to prepare a resolution for adoption. Mr. Vanderslice then suggested that the District send out monthly reports to farmers on their water use. Chairman Sherrill stated that farmers were responsible for their water and irrigation, and also were responsible for reporting their water use to the District. Chairman Sherrill stated that the District could help with that reporting, but ultimately the farmer was responsible for reporting his water usage. Mr. Sherrill stated that, in Mr. Vanderslice's case, he had water from one well going to several different sections, so perhaps the District could help to facilitate in reporting the water usage in a manner that would work for him, but that everyone had to report their water usage. District counsel stated that these were two different issues and brought the conversation back to the issue before the Board, which was the obligation to report water usage. Mr. Vanderslice then seconded the motion directing staff to prepare a resolution. All were in favor, motion passed.

- G. Discussion and possible action to approve the inclusion of the following standard MVIDD forms on the website.

- .1 Process To Obtain A Water Allocation;
- .2 Application For A Preliminary Allocation;
- .3 Application For A Certification Of Water Allocation And/Or Request For An Increase Of Water Allocation And/Or Additional Water Allocation For A Single Family Lot Or Split/Rezoned Residential Lot(s);

- .4 Application For An Extension Of A Preliminary Allocation And/Or Request For Increase/Decrease Of The Preliminary Allocation For A Residential Subdivision Or A Commercial/Industrial Subdivision;
- .5 Irrigation Ditch Lining Checklist;
- .6 Consent To Conditions And/Or Waiver Of Diminution Of Value;
- .7 Application For A Water Entitlement; and
- .8 Well Registration Form.

District counsel inquired as to whether or not the forms specified were those that had previously been adopted and approved by the Board. Staff related that these were the forms that were being provided to hand out to the public. Chairman Sherrill inquired of District Counsel as to whether or not there would be a problem in including these forms on the District's website. Counsel stated that she wanted to make sure that the forms in question had been already approved by the Board. Mr. Vanderslice made a motion that the forms as attached be listed on the District website. Mr. Hancock seconded the motion. All were in favor, motion passed.

- H. Discussion and possible action to contract for management services through employment or contract with Mark Clark and/or QPC Management and to authorize Chairman Sherrill to negotiate the terms of the employment or contract subject to Board approval.

Mr. Hancock made a motion that Chairman Sherrill be authorized to negotiate the contract. Mr. Vanderslice seconded the motion. All were in favor, motion passed. District counsel then questioned as to whether the District was going to contract with Mr. Clark or QPC Management. Mr. Clark stated that the contract would be with QPC Management. Mr. Hancock then revised his motion that Chairman Sherrill be authorized to negotiate a contract with QPC Management. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- I. Discussion and possible action to reduce, waive or otherwise modify transfer fees due from Desert Land, LLC, James Santiago - principal.

District Counsel gave a brief history of the conveyance of the property from LAC Corp. to Chop, LLC to Desert Land, LLC. District Counsel stated that there was an Affidavit of Real Property Value reflecting a \$1.14 million sales price, and Desert Land was requesting the waiver of \$5,626.10 in transfer and application fees to transfer the land from LAC to Desert Land, the current holder. After a brief discussion, Mr. Hancock made a motion to decline Desert Land's waiver request and to notify them of same. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

5. PUBLIC INPUT.

Mr. Jim Weatherford made a suggestion that on other water district websites he has dealt with, the water reporting was made available directly on the website. Water users simply filled out the form online and then submitted it to the water district via the website. Chairman Sherrill stated that, while an excellent idea, first the regular forms as discussed needed to be included in the website, then other forms could be added.

6. ADJOURNMENT.

Mr. Vanderslice made a motion to adjourn the meeting. Mr. Hancock seconded the motion. All were in favor, motion passed. The meeting adjourned at 6:30 p.m.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the District. Requests should be made as early as possible to arrange the accommodations.