

# MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

APPROVED: JANUARY 8, 2013

## MINUTES OF THE REGULAR BOARD MEETING HELD TUESDAY, DECEMBER 4, 2012 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT ("THE DISTRICT")

### CALL TO ORDER.

The meeting was called to order at 4:05 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  
Jamie Kelley, District Counsel  
Cecily ("CeCe") Preusser, Administrative Assistant

Absent: John Kai, Jr., Director, Division I

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

### 1. REPORTS.

A. Staff report on water use.

Mr. Clark gave a brief report on water usage in October.

90,362,697 gallons (2,738 acre feet) were used by utilities (M&I for the various developments in the District).

314,832,793 gallons (13,194 acre feet) were used by agriculture.

18,381,304 gallons (570 acre feet) were used by other users (defined as small users as well as the wells that are pumping less than 25 gallons per minute, or exempt wells).

57,817,860 gallons (2,153 acre feet) were used by amenities.

A total of 481,394,654 gallons (18,655 acre feet) of water was used during the month of October

- B. Bureau of Reclamation Lower Colorado Water Supply Report for week of November 26, 2012.

Chairman Sherrill went over the water storage figures for the week ending November 26, 2012. Lake Powell is at 55% capacity; Lake Mead is at 51% capacity; Lake Mohave is at 83% capacity; and Lake Havasu is at 93% capacity. Total system content is 56%, down from 65% this time last year.

There was a question from Steve Buck with regard to lake elevation and what the lake levels needed to be in order to be deemed critical. Chairman Sherrill advised that Lake Mead's elevation was 1,117.31 and that of Lake Powell was 3,615.41. Mr. Clark advised that Lake Mead's critical point was at 1,075. Chairman Sherrill then brought up the fact that there is an equalization program between Lake Powell and Lake Mead, so that before the critical point was reached it is more than likely that water will be released from Lake Powell into Lake Mead.

There was a question from Mr. Ron Vackar regarding the sediment that is coming down the Colorado River, that he had noticed a newspaper article but had not read it. Chairman Sherrill asked if Mr. Vackar was referring to Lake Powell flushing sediment through the Grand Canyon, which was done in order to take care of the sand bars and clean everything out so that habitat would have a better chance of surviving.

- C. USDA National Agricultural Statistics Service - Arizona Agri-Weekly Report for the week ending November 30, 2012.

Chairman Sherrill stated that there was not much to report. We are above average in temperatures and rain fall. All the crop reports seem to be normal.

- 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.

No action taken

- 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 November 6, 2012 Meeting Minutes.

- B. Ratify payment of expenses for November, 2012.

There was no discussion. Mr. Muscelli made a motion to approve the items listed in the Consent Agenda. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

#### 4. REGULAR AGENDA.

- A. **Effluent Project.** Discussion and possible action to authorize staff to obtain proposals for engineering services District's water reclamation project.

Mr. Clark advised that this item was a request for the Board to approve the direct solicitation of engineering services for the effluent project.

Mr. Clark also stated that, although it was agreed at the November 6, 2012 Regular Meeting that staff would not approach the Board for permission to obtain proposals for normal and customary operations, this particular request for action was outside the scope of normal and customary activities and staff was requesting Board approval for this particular request.

Mr. Muscelli inquired as to whether or not this request for proposals was going to be an RFP. Mr. Clark advised that this would be a direct solicitation, basically a short letter to various engineering companies to request them to submit a proposal for engineering services.

Mr. Muscelli stated that it was a type of RFP, that we were asking for proposals based on given qualifications. District Counsel stated that, technically, it was not a RFP. District counsel also set forth that, in the State of Arizona, when large construction projects solicited bids there was a request for proposals and request for qualifications, and Mr. Clark stated that this was a much more complicated process than doing a direct solicitation.

Mr. Muscelli then inquired as to how the engineering companies solicited would be able to determine the District's scope of work. Chairman Sherrill stated that the District would be requesting proposals from engineering companies that have previously been contacted and have submitted proposals. Mr. Clark stated that there would be other engineering companies solicited as well. District Counsel clarified that this solicitation would be much like the one the District undertook before and would consist of a one or two page letter giving a general description of the project. Those entities who are interested will then submit a report of their qualifications and a proposal for the design of the system.

Mr. Muscelli then inquired as to whether or not specifications on design would be included in the solicitation. Mr. Clark answered that specifications would not be included in the solicitation at this time, those would be

negotiated at a later date. Mr. Clark explained that, upon receipt of the different proposals, a spreadsheet would be prepared inputting each entity's information, i.e., whether or not a particular entity would be able to handle all aspects of the project, or if there were certain aspects that particular company would not provide. Staff would then be able to review each company's proposal on an "apples to apples" basis to determine which company would best suit the District's needs. If there was a question as to whether or not any one company could provide a certain portion of the project, Staff would be able to go back to that company for a determination of whether or not the company could provide the service and whether or not it would affect the overall cost proposed.

Mr. Muscelli made a motion authorizing Staff to begin the process for soliciting proposals for engineering plans for the District's effluent project. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- B. 2012 Census of Governments Survey of Local Government Finances.** Discussion and possible action to approve the completed 2012 Census of Governments Survey of Local Government Finances.

Mr. Clark explained that this survey was a customary item that Staff was requesting the Board to authorize the submission of the completed form.

Mr. Muscelli made a motion that Staff be authorized to submit the completed 2012 Census of Governments form. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- C. Desert Land, LLC, T18N, R22W, Sec. 27.** Discussion and possible action to approve the transfer of the water entitlement from Desert Land, LLC to DL14, LLC, a Nevada Series Limited Liability Company of Desert Land NV, LLC, a Nevada Limited Liability Company. The conveyance of the property from Desert Land, LLC to DL14, LLC was an exempt transaction for tax valuation purposes, therefore, a waiver of the transfer fees is also requested.

Mr. Muscelli made a motion to approve the transfer of the water entitlement from Desert Land, LLC to DL14, LLC, a Nevada Series Limited Liability Company of Desert Land NV, LLC, a Nevada Limited Liability Company, and to waive the transfer fees. Mr. Hancock seconded the motion. All were in favor, motion passed.

- D. Processing Of MVIDD Payroll Through QuickBooks.** Discussion and possible action to approve the transfer of MVIDD payroll processing from Chase to QuickBooks, beginning January of 2013. Chase currently charges \$30.00 per month for processing payroll checks and tax forms. QuickBooks charges \$20.00 per month for processing payroll, determining tax payments and payment of taxes through Intuit.

Mr. Muscelli made a motion authorizing Staff to terminate payroll and tax services through Chase Bank and make arrangements to have QuickBooks take over payroll and tax services. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- E. **Change of January 2013 Meeting Date.** Discussion and possible action to approve moving the January 2013 Executive and Regular Sessions from January 1, 2013 to January 8, 2013, due to the New Year's Holiday.

Mr. Vanderslice made a motion that the Executive and Regular Meeting dated be moved from January 1, 2013 to January 8, 2013 due to the New Year's Holiday. Mr. Muscelli seconded the motion. All were in favor, motion passed.

## 5. PUBLIC INPUT.

Mr. Steve Buck, on behalf of the Bella Vista Homeowners Association, inquired if, as to the District's effluent project, he could be privy to the proposals submitted in response to the District's solicitation for proposals. Mr. Buck explained that he would like to be in on the ground floor and provide whatever assistance he could. Chairman Sherrill explained that the District welcomed Bella Vista's help and input, but that providing proposal information may be in violation of Open Meeting Laws. Chairman Sherrill went on to state that the District would share all incoming information upon approval of District Counsel.

Mr. Buck stated that he wanted to be able to work closely with Mr. Clark in reviewing specifications submitted by the engineering companies in an effort to make sure that the proposals would not only be in the District's best interests, but in the best interests of Bella Vista also. Mr. Buck also explained that he would like to avoid the situation of a proposal being accepted by the District before Bella Vista had a chance to review the proposal in case it contained criteria that Bella Vista could not agree to. District Counsel intervened stating that Mr. Buck was way ahead of the process, that the District was in the beginning stages of soliciting proposals for the design of the system.

Chairman Sherrill explained that the District was actually re-doing a request for bids on the project as so much time has lapsed since the last proposal was requested. Mr. Clark advised that some of the companies that submitted prior bids were no longer viable entities and that so much time had passed since the last bidding process that the proposals were no longer valid, therefore a new solicitation for proposals needed to be conducted.

Mr. Buck then brought up the subject of funding the project. District counsel advised that the District was precluded from obtaining financing for the

project through WIFA under Title 48. District counsel advised that there was to be a meeting on December 17 with the City of Bullhead, Chairman Sherrill, Mr. Clark and District Counsel. Mr. Buck inquired as to who should approach the City about showing interest in pursuing the funding of the project. Chairman Sherrill reiterated that the District was meeting with the City of Bullhead on December 17, and the subject of funding would be addressed.

**6. ADJOURNMENT.**

Mr. Vanderslice made a motion to adjourn the meeting. Mr. Muscelli seconded the motion. All were in favor and the meeting adjourned at 4:30 p.m.