

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

APPROVED: MARCH 5, 2013

MINUTES OF THE REGULAR BOARD MEETING HELD TUESDAY, FEBRUARY 5, 2013 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT ("THE DISTRICT")

CALL TO ORDER.

The meeting was called to order at 4:25 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
John Kai, Jr., Director, Division I
Clay Vanderslice, Director At Large
Perry Muscelli, Treasurer, Director At Large
Mark R. Clark, Manager
Jamie Kelley, District Counsel
Cecily ("CeCe") Preusser, Administrative Assistant

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

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

1. REPORTS.

A. Staff report on water use.

Mr. Clark discussed the water usage for December, 2012, which totaled approximately 20,180 acre feet, which breaks down as follows:

Utilities	3,183 AFT	15.77% percent of use
Agricultural	13,840 AFT	68.58% percent of use
Other	677 AFT	3.5% percent of use
Amenities	2,480 AFT	12.29% percent of use

B. Bureau of Reclamation Lower Colorado Water Supply Report dated January 27, 2013.

Chairman Sherrill reported as to the total system contents of 2012, which were 65% this time last year, as opposed to the 2013 total system contents, which is 55%, a full 10% lower, which is way below where we are supposed to be. Mr. Clark advised that the snow pack report for 2013 was not good news. Chairman Sherrill added that the forecasted water year for 2013 was at 56% of normal, and that the current basin snowpack is at 78%. Mr. Clark added that the Lake Mead elevation was at 1122.59, but that the first shortage would be declared at 1075 elevation.

- C. USDA National Agricultural Statistics Service: Arizona Crop Report for January 2013 (released January 11, 2013); Arizona Agri-Weekly for the week ending January 27, 2013.

No discussion.

- D. Arizona Meteorological Network Monthly Summary (from Mohave #2) for January 2013.

Chairman Sherrill read out loud a hand-out provided by Board Member Perry Muscelli and entitled "Colorado Snowpack: 'The Situation Is Pretty Grim Right Now'", as reported by Luke Runyon and Aspen Public Radio:

Drought conditions throughout Colorado continue to get worse. Right now more than half the state is under extreme drought. Climatologists and water resource experts are warning that there is very little chance the coming months will be anything resembling normal.

"The situation is pretty grim right now," says Wendy Ryan, a climatologist with the state.

The snowpack is sitting at about 62 percent of average; it's even lower in the Colorado River basin, which includes the Roaring Fork River. In the South Platte River Basin, the snowpack is currently 55 percent of average. Ryan says because the winter started so dry, with each sunshine-filled day, the opportunities to catch up continue to slip away.

"This is going to be another dry year," Ryan says. "It's tough to get back to just what our normal snowpack would be at this point. I think there's about a 10 percent across most basins in the state that they could get to normal conditions. So that doesn't bode too well."

That means there's a ninety percent chance of having a below average snow year, just like last winter. Ryan says back to back drought years will be devastating. We can expect more fires, lower reservoirs, unwatered crops and diminished rivers. Ryan says she's hoping for a very wet spring just to get back to 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 discussion.

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 January 8, 2013 Meeting Minutes.
- B. Ratify payment of expenses for January, 2013.
- C. **Westview Estates, Tract 4215, T19N, R22W, Sec. 14.** Approval extending the preliminary water allocation of 59.29 acre feet and deferral of the final 1/3 payment of the non-refundable fees until the next extension request. The District has received 2/3 payment of the non-refundable fees in the amount of \$80,400.00, leaving an outstanding balance of \$40,200.00.

Mr. Muscelli made a motion that the Consent Agenda be approved in total. Mr. Kai seconded the motion. All were in agreement, motion passed.

4. **REGULAR AGENDA.**

- A. **Effluent Project.** Discussion and possible action regarding financing of the District's portion of the Bullhead City water reclamation project.

District Counsel briefly discussed newly proposed legislation that may help on the financing issue. It is for "Regional Water Augmentation Authority" and has bonding capability. The legislation is being proposed by Speaker Tobin and evolves out of the the Water Resources Development Committee (small group) that Maureen George participated in on behalf of Mohave County Water Authority.

- B. **Technical Corrections to MVIDD By-Laws.** Discussion and possible action to approve technical corrections to the MVIDD By-Laws Resolution No. 89-1.

Mr. Clark reported that in reviewing the MVIDD By-Laws, there were a couple of items that needed to be technically corrected, as follows:

3.8. Quorum. At any Regular, Special or Committee Meeting of the Board of Directors, a quorum shall consist of not less than a majority of the members of the Board or Committee. No official business may be transacted in the absence of a quorum. If a quorum is present, a majority vote of the Directors in attendance shall be sufficient for the transaction of official business. A board member may participate in the meeting by telephone if unable to be present in person.

The last sentence, "A board member may participate in the meeting by telephone if unable to be present in person" will be deleted as said statement is in direct conflict with By-Law 3.10.2, which states that directors may not participate in a *regular* meeting by telephone or video conference, but may participate in a *special* meeting by telephone or video conference if unable to personally attend.

In addition, Mr. Clark advised that the second to the last sentence of Article V - Officers, will be revised. The sentence currently reads:

The Chairman shall manage staff on a day to day basis.

The sentence shall be revised to delete the "day to day basis" portion of the sentence.

Mr. Kai made a motion that the technical revisions to the District By-Laws as set forth be approved. Mr. Muscelli seconded the motion. All were in favor, motion passed.

- C. **Forms of Contract: Small User and ABU.** Discussion and possible action to approve Small User and ABU forms of contract, as modified.

Mr. Clark discussed the new ABU (allocated but unused) form of contract and the Small User form of contract. The terms of the two contracts have been standardized to the extent possible to make it easier for staff to administer the contracts and to ensure all users are subject to the same requirements. The plan is to make these contracts PDF fillable so that the contracts may be prepared by staff as opposed to District Counsel preparing the contracts. Mr. Muscelli asked if the two contracts contained the new fee prices. Mr. Clark advised that both contracts referred to the District Fee Schedule, so that staff would not have to input a separate price in each contract. District Counsel interjected that that was the biggest change in the contracts, incorporating Mr. Clark's language as to the fee schedule in the contracts. District Counsel also advised that all new contracts would expire on December 31 of each year.

Mr. Kai made a motion to approve the Small User and Allocated But Unused Water Contracts as modified and direct that a copy of each contract be filed with the meeting minutes of this meeting. Mr. Muscelli seconded the motion. All were in favor, motion passed.

- D. **Water Law Institute - 15th Annual Conference Law of the Colorado River.** Discussion and possible action to approve the attendance of the Board Members, MVIDD Manager and District counsel to the 15th Annual Water Law Institute Conference on March 14 & 15, 2013, in Las Vegas, Nevada.

Chairman Sherrill discussed the attendance of Board Members, District Counsel and District Manager of the 15th Annual Conference Law of the Colorado River on March 14 & 15, 2013 in Las Vegas, Nevada. Chairman Sherrill requested that a motion that states that anyone who would like to attend, be it board members, staff or counsel, has the choice of doing so and that the District would pay the fee for the registration and hotel accommodations as was done for the last conference.

Mr. Hancock made a motion to approve the attendance of Board Members, District Counsel and Staff of the 15th Annual Conference Law of the Colorado River, that the District would pay the fee for the registration and hotel accommodations as was done for the last conference. Mr. Kai seconded the motion. All were in favor, motion passed.

- E. **Resolution No. 2013-01, Regarding the Revised Fee Schedule.** Discussion and possible action to approve Resolution 2013-01, Revised Fee Schedule and Payment Rules.

Mr. Clark advised that Resolution 2013-01 contained the same Fee Schedule and Payment Rules as were approved at the January 8, 2013 meeting, but that they were now in resolution format.

Mr. Hancock made a motion to approve Resolution No. 2013-01. Mr. Kai seconded the motion. All were in favor, motion passed.

5. PUBLIC INPUT.

Mr. Steve Buck asked if the new Fee Schedule and Fee Payment Rules would be available for viewing. Mr. Clark advised that the new schedules would be posted as soon as possible. Mr. Clark also advised that there were few changes to the fee schedule and payment rules, but that they had all been included in one resolution for ease of reference. It is now possible to locate fees and payment rules all in one place rather than having to search through different resolutions to find the same information. Mr. Clark also advised that any rate changes going forward would take place in the April - May time frame of each year. There was brief discussion as to the current

ABU rate, which is currently being charged at \$150.00 per acre foot, but could be increased next year and/or every year after that.

Mr. Steve Buck questioned as to whether to ABU contracts would run January through December of the given year. Mr. Clark explained that it would depend upon what month the contract was entered into. All ABU contracts end on December 31 of the given year.

Mr. Buck briefly discussed the need to meet with District Counsel to go over some nuances as to suggestions on how a financial package for the effluent project might be put together.

6. ADJOURNMENT.

Mr. Hancock made a motion to adjourn the meeting. Mr. Muscelli seconded the motion. All were in favor, motion passed. The meeting adjourned at 5:45 p.m.