

**MOHAVE VALLEY IRRIGATION
& DRAINAGE DISTRICT**

APPROVED: **

**MINUTES OF THE REGULAR BOARD MEETING HELD TUESDAY,
JANUARY 6, 2015 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.

The Pledge of Allegiance was led by Steve Buck.

ROLL CALL.

Present: Charles B. (“Chip”) Sherrill, Jr., Chairman, Director District III
Vince Vasquez, Director District II
Perry Muscelli, Treasurer, Director At Large
Clay Vanderslice, Director At Large
Mark R. Clark, CCM, Manager
Jamie Kelley, District Counsel
Cecily (“CeCe”) Preusser, Administrative Assistant

Absent: John Kai, Director District I

OATH OF OFFICE: Treasurer Muscelli administered the Oath of Office to Charles B. (“Chip”) Sherrill, Jr., as Division III Director to the Board pursuant to the election held on November 11, 2014.

ELECTION OF OFFICERS. Election of Chairman and Treasurer to the Board of Directors.

Mr. Muscelli made a motion that Charles B. (“Chip”) Sherrill, Jr., be elected as Chairman and that Clay Vanderslice be elected as the Treasurer of the Board of Directors for the Mohave Valley Irrigation and Drainage District. Mr. Vasquez seconded the motion. All were in favor, motion passed.

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 reported that for the 11 months ending November 30, 2014 was 33,293 acre feet compared to 25,283 acre feet in 2013, which is a 38% increase in usage. 83% of the water was used for agricultural purposes and 17% of the water was used for M&I purposes.

B. Bureau of Reclamation Lower Colorado Water Supply Report as of December, 2014; Upper Colorado River Basin Snowpack Report; Lake Powell Water Data Graph; and Lake Mead Water Data Graph.

Chairman Sherrill reported that Lake Powell was 48% full, Lake Mead was 40% full, Lake Mohave was 85% full and Lake Havasu was 92% full. The total system contents was at 50%, as opposed to 49% last year. Chairman Sherrill added that the percent was based on capacity of 26,126 kaf (thousand acre feet) or elevation of 1219.6 feet.

Mr. Muscelli added that the elevation was 1086.75 feet above sea level. Mr. Clark stated that that was up a few feet from where it was a few months ago.

Chairman Sherrill stated that Lake Powell was at 3,599.06 feet above sea level and that water was released from Lake Powell into Lake Mead for the equalization process.

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 was 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 December 2, 2014 Meeting Minutes.

B. Approve the November 17, 2014 Special District Meeting Minutes.

C. Ratify payment of expenses for December, 2014.

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

4. REGULAR AGENDA.

- A. **MVIDD Resolution No. 2014-06.** Discussion and possible action to approve the adoption of MVIDD Resolution No. 2014-06, *A Resolution of the Board of Directors of the Mohave Valley Irrigation & Drainage District Urging the Governor's Reappointment of Maureen George to the Arizona Water Banking Authority ("AWBA") Commission in Order Her Expertise May Continue to be Called Upon to Represent the Interest of Main Stem Colorado River Users in Water Matters Coming Before the Commission*, urging Governor Ducey to reappoint Maureen George to the Arizona Water Banking Authority.

Mr. Muscelli made a motion to approve MVIDD Resolution No. 2014-06. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- B. **Grant Application for Water Flow Measuring Project.** Discussion and possible action to approve the grant application prepared for the water flow measuring project.

Mr. Clark advised that staff was in the process of completing the application for the grant with the Bureau of Reclamation. He stated that there were still a few items that needed to be completed. The application is due to the BOR by January 27, 2015, which is before the next Board Meeting. Mr. Clark advised that staff was requesting approval of the grant subject to final approval by the District Chairman and District Counsel of the application.

Mr. Muscelli moved to approve the grant application subject to final approval of the application by the District Chairman and District Counsel. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- C. **Sun Valley Unit II, Tract 4185E, T18N, R22W. Section 1.** Discussion and possible action to approve the request for an extension of the preliminary water allocation of 9.66 acre feet for Sun Valley, Unit II, Tract 4185-E from January 19, 2015 until January 19, 2017. The Water Allocation Extension Administration Fee in the amount of \$250.00 has been paid.

Mr. Clark advised that staff had received documentation showing that Sun Valley is moving forward with the development. As the Board had adopted Resolution 2014-03, which allows the Board to extend these preliminary allocations for a period of up to two (2) years, staff is recommending that the Board approve Sun Valley's request for extension and grant the extension for two (2) years, or until January 19, 2017.

Mr. Muscelli questioned the extension until 2017 when the developer had only asked for a one (1) year extension. Mr. Clark explained that the developer was unaware that a two (2) year extension was available.

There was discussion as to why the developer only asked for a one year extension. The status of the development was also discussed.

Mr. Vasquez made a motion to approve the request for an extension of the preliminary water allocation of 9.66 acre feet for Sun Valley, Unit II, Tract 4185-E from January 19, 2015 until January 19, 2017. Mr. Muscelli seconded the motion. All were in favor, motion passed.

- D. **Valley View At Sunrise Hills, Phase 2, T18N, R22W, Section 6.** Discussion and possible action to approve the request for an extension of the preliminary water allocation in the amount of 24.44 acre feet for the remaining 58 lots in Phase 1 from January 10, 2015 to and including January 10, 2017. The Water Allocation Extension Administration Fee in the amount of \$250.00 has been paid.

Mr. Clark advised that this request was similar to that of Sun Valley. The developer of Valley View has submitted the requisite documentation showing their forward progress. Again, this developer only asked for a one (1) year extension as they are unaware of the policy change regarding extensions of time. Mr. Clark advised that staff is recommending a two (2) year extension of the preliminary water allocation.

Mr. Vasquez asked whether or not we were figuring in the new numbers for residential water usage. Mr. Clark answered that we were. Mr. Vasquez asked if Valley View's water allocation reflected that change. Mr. Clark answered that the water allocation did not reflect the change at this time as this was a project already in process when the Board changed the residential water allocation amount. Mr. Clark stated that once Valley View receives its final approval from the County, that's when the water allowance will be adjusted.

Mr. Vasquez then asked if it made any sense to make the adjustment as the requests for extension came in. Mr. Clark answered that we only have a few that are in the process such as this one, and rather than make those changes in the middle of the process we will wait until they apply for their final.

Mr. Vanderslice made a motion to approve the request for an extension of the preliminary water allocation in the amount of 24.44 acre feet for the remaining 58 lots in Phase 1 from January 10, 2015 to and including January 10, 2017. Mr. Vasquez seconded the motion. All were in favor, motion passed.

- E. **Mohave Sunrise Solar I, LLC; T19N, R21W, Section 31.** Discussion and possible action to approve the request for a final allocation in the amount of

.34 acre feet. The Final Allocation Fee in the amount of \$308.00 has been paid.

Mr. Clark advised that Mohave Sunrise Solar is asking for its final allocation, which means that they are at the point of receiving their final approvals from the County. Staff is recommending approval of the request for a final allocation.

Mr. Vasquez made a motion to approve the request for a final allocation in the amount of .34 acre feet. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- F. **El Rio Golf & Country Club.** Discussion and possible action regarding collection of unpaid fees due the District and termination of temporary contract.

Mr. Tom Maas applied for a temporary six month water allocation for the golf course at El Rio. The golf course has used water in September, October, November, and December. The documentation included in the packet was the September and October billing; the November billing in the approximate amount of \$800.00 has just gone out. Staff has not yet received the water usage for a December billing. Staff is recommending that the Board approve the filing of a complaint in the Bullhead Justice Court to recover amounts owed and to terminate the temporary contract.

There was a discussion as to what rate was allowed under the temporary contract and Mr. Clark stated that the temporary contract allowed for \$50.00 per acre foot. Mr. Clark also stated that no payment had been made despite requests for payment. Mr. Clark advised that Mr. Maas did make a \$500 payment when he initially signed the contract. All proper notification has been accomplished.

Mr. Muscelli asked that if Mr. Maas continued to ignore the District's invoicing and if he continued to incur water usage charges in January, February and further, could those charges be added to the complaint. District Counsel answered that they could.

Mr. Muscelli made a motion that a complaint to recover monies owed be filed in the Bullhead City Justice Court and that the contract be terminated. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

- G. **Finalized Financial Review Report Prepared by Heinfeld, Meech & Co., P.C.** Discussion and possible action to approve the Financial Review Report for the year ending June 30, 2014.

Mr. Clark advised that the Board Members had been provided with the financial review in a previous packet but the final report has now been provided by Heinfeld, Meech & Co., and staff is recommending that the Board approve the report.

Mr. Vasquez made a motion to approve the Financial Review Report for the year ending June 30, 2014. Mr. Vanderslice seconded the motion. All were in favor, motion passed.

5. PUBLIC INPUT.

Steve Buck asked about the Bella Vista billing. He stated that he believed we sent the billing for the contract in the last couple of weeks. District Counsel advised that in the future Bella Vista would be billed directly by the Mohave County Water Authority ("MCWA"). Mr. Buck inquired as to the payment of the bill by January 1 and was advised that payment should be made to MCWA and not to the District. Mr. Buck clarified that the only payment being made to the District was the administrative fee and Mr. Clark affirmed that that was the case.

Mr. Buck then asked if the Board could provide an update with the Section 10 effluent effort. He stated that, although Bella Vista was alright until 2019, the effluent project should be addressed. District Counsel stated that the effluent project would be on next month's agenda.

There was further discussion about the need for the effluent project to become a reality and that it would be a tremendous benefit to the District. Chairman Sherrill addressed the approximate five million dollar cost and where the money would come from given the current political environment.

Steve Buck then asked about Marina Coves obtaining an allocated but unused contract from the District and pick up a contract through Tom Sockwell's organization. Chairman Sherrill replied that a contract from MCWA was not going to issue. As for the allocated but unused contract, Mr. Clark stated that the Board had approved District Counsel and he to putting an interim contract together for Marina Coves, which would be very similar to the contract that Bella Vista has with MCWA. The contract would be solely through the District and Marina Coves would be using the allocated but unused water from MVIDD. The contract would be an interim contract and would have an expiration date of December 31, 2019. The contract would be for essentially the same amount of money so Marina Coves would see a drop in their fees. The caveat to this contract would be, if the District's water allocation be reduced due to shortages, Marina Coves' contract would be the first to be cut.

Mr. Buck then asked to whom he should go to seek a contract for Marina Coves like the contract Bella Vista has, and why can't MCWA approve the same type of contract of Marina Coves as it did for Bella Vista? District Counsel answered that MCWA has members in its water district and it is not going to accept a request that it is not generating from the member impacted. The request for that type of contract would have to come from two governmental entities because you have four governmental entities in the contract. There is City of Kingman, who is a third party beneficiary, MCWA, Mohave Water Conservation District and the Mohave Valley Irrigation & Drainage District. District Counsel went on to say that MCWA is not going to enter into a contract for delivery of water within the boundaries of MVIDD without the District's request. Another reason that Marina Coves cannot enter into the same type of contract is that Bella Vista already had a contract with the District whereas Marina Coves does not.

Mr. Buck then switched the discussion to Marina Coves' payment of monies due to the District and requested that he and Mr. Clark get together to discuss the issue. There was discussion as to precedent for a payment arrangement, so a payment schedule will need to be worked out so that payment can be made by the end of December of 2015.

Chairman Sherrill then announced that Administrative Assistant CeCe Preusser would be leaving the District and that she and her husband had moved to Lakeside, Arizona. Mr. Sherrill thanked CeCe for the job she has done. Mr. Clark also stated that CeCe had left everything in order and made sure that she let him know where everything was so that the District was not left in the same situation as before.

6. ADJOURNMENT.

There being no further business to discuss, Mr. Muscelli made a motion that the meeting be adjourned. Mr. Vanderslice seconded the motion. All were in favor, the meeting adjourned at 5:31 p.m.