

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

Approved
11-3-2015

NOTICE OF AND AGENDA FOR THE REGULAR BOARD MEETING TO BE HELD OCTOBER 6, 2015 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT MEETING TO BEGIN AT 4:00 P.M.

CALL TO ORDER.

The meeting was called to order at 4:00pm by Charles B. Sherrill, Jr.

PLEDGE OF ALLEGIANCE.

The Pledge of Allegiance was lead by Perry Muscelli.

ROLL CALL.

Present: Charles B. ("Chip") sherrill, Jr., Chairman, Director Division III
Vince Vasquez, Director Division II
Perry Muscelli, Treasurer, Director at Large
Clay Vanderslice, Director at Large
John Kai, Director Division I
Jaime Kelly, District Counsel
Mark 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.

A waiver motion was made and all board members were in favor, motion passed.

1. REPORTS.

A. Staff report on water use.

Manager Mark Clark reported that for the month, we use 500 more acre feet than we did the prior year. This is the first month we actually used more water than we did last year. However, we are still 11,500 acre feet behind our water use than last year. During the spring we would normally use more water, however, we had more rain which in turn meant we used less water. Perry Muscelli asked what that was in percentage? Mark Clark replied that it is about 30%.

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

Manager Mark Clark reported that the report was from September 21, 2015, that the

Bureau of Reclamation for some reason has not updated the report. As of the 21st, Lake Mead was 38% full, at 1,078 which is 3 feet above the trigger point. Lake Powell is at 51% full at 3607 feet elevation, total system content for this year is 51% compared to 50% last year. Also in your books we have been providing the CAP Reports that show the elevations and how full all of the reservoirs are. You can see on the graph how close we are getting to the trigger point, however, the rains this fall are expected to keep us above the trigger point through 2016. 2017 is still in question, we are hoping this El Nino this winter will help significantly increase the volume in these lakes. Perry Muscelli stated that the other basins being full make a lot of difference. Mark Clark agreed and reported that he was just up in Colorado in September and that there was a lot of water in Colorado. Charles Sherrill, Jr. stated unfortunately they do not have the storage like you do with Lake Mead or Lake Powell so that water just goes into the ground. Perry Muscelli asked Mark Clark what does it mean when we are below the Equalization Level at Lake Powell? Mark Clark stated that there is a couple of things that it means. One, it changes the way they operate the height level at the Dam and secondly, how much water they will release at Lake Powell into Lake Mead. Perry Muscelli asked if there were different Equalization Levels and Mark Clark replied that there are several levels just like there are in Lake Mead. Perry Muscelli asked if there was a percentage level in Lake Powell before they released water into Lake Mead? Mark Clark replied that it is not a percentage but an elevation trigger just like in Lake Mead, and he believes it is just over 3,600 feet. He does not watch that one as closely as he does Lake Mead so he does not have that at the tip of his tongue, but believes it is about 3,600 or 3,605. Perry Muscelli stated that doesn't seem like much. Mark Clark replied you have to remember that Lake Powell covers a lot of area, even though the footage doesn't sound like much it is still a lot of water. John Kai stated that the Equalization Level 3,649' that when they have to do more release of water. Mark Clark stated exactly. Mark Clark stated that 3,649' is the high end and the low end which they do not show on the graph is about 3,605' but he is not 100% sure on that.

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, no action.

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 September 1, 2015 Executive Meeting Minutes
- B. Approve the September 1, 2015 Regular Meeting Minutes
- C. Ratify payment of expenses for September, 2015
John Kai made a motion, Perry Muscelli seconded. All were in favor, motion passed.

4. REGULAR AGENDA.

- A. **Comprehensive Fee Schedule and Payment Rules.** Discussion and possible action to approve the Comprehensive Fee Schedule and Payment Rules.

Mark Clark stated we are asking the Board to add a new classification to the payment rules and comprehensive fee schedule. A classification that we are calling Industrial usage. This will be similar to an Agricultural use only on a non-agricultural side. It would have a similar contract use with a beneficial review period like the agricultural contracts. Unlike the Commercial and residential contracts that are permanent, the water usage would only stay with the industrial contract for that particular use, such as; we have a sand and gravel operation wants a contract for water use, once they stop using the contract for a sand and gravel operation, the water would come back to the district. Perry Muscelli read the fee schedule for the new classification at \$30 an acre foot and the applications fees that would go along with that are the same as the agricultural users. Mark Clark agreed with the statement and added that they are similar to what the agricultural users pay on the application side and the annual entitlement fee is similar to what the amenity users pay. Perry Muscelli motioned for approval, John Kai seconded the motion, all in favor, motion passed.

- B. **WPI-919 Farm AZ LLC, T18N, R22W, Section 19, 25 and 30; Sherrill Ventures LLLP, WPI-CAD Farm AZ, LLC., and Black Mountain Farms, LLC., T17N, R22W, Section 01. Applications for water entitlement transfers and water entitlements.** Discussion and possible action to approve:

1. The application to transfer, in compliance with District Resolution 07-05, 1125.25 acre feet of water from Contract # 2012-04:

(a) Transfer 932.05 acre feet of water to, and approval of the water entitlement application of Sherrill Ventures LLLP and WPI-CAD Farm AZ, LLC., for agricultural beneficial use on 144.7 irrigable acres in T17N, R22W, Section 01; and

(b) Transfer 193.2 acre feet of water to, and approval of the water entitlement application of Sherrill Ventures LLLP and Black Mountain Farms, LLC for agricultural beneficial use on 30 irrigable acres in T17N, R22W, Section 01.

2. The Application for water entitlement by WPI-919 Farm AZ LLC under the Water Entitlement Agreement dated August 7, 2012 for 1125.25 acre feet of water for 174.73 irrigable acres in T18N, R22W, Sections 19, 25 and 30 for agricultural beneficial use.

3. The Application for water entitlement by Black Mountain Farms, LLC under Water Entitlement Agreement dated August 7, 2012 for 106.80 acre feet for 260 acres in T18N, R22W, Sections 19, 25 and 30 for a beneficial use of sand and

gravel mining.

During the reading of item B, Kerri Hatz handed out an additional addendum to item B3. Mark Clark stated that the document that was just provided was additional information details that would justify 106.80 acre feet for industrial use. Perry Muscelli stated that this was just estimate of what they think they may use, and what happens if they go over the amount of water use that they propose they need on this contract. Mark Clark stated they would pay a penalty for the overage just like the agricultural users do if they go over the allocated amount. Perry Muscelli asked if they should be allowed an amount that is an average to what they think they are going to use. Mark Clark stated that he believes they are asking for more water then what they need. That if it is discovered at their beneficial review that they are using less water then they are allocated then their contract, the contract would be adjusted to reflect their usage and we would take back the difference. Perry Muscelli asked if they were willing to pay the penalties if they went over? Mark Clark stated yes. Vince Vasquez stated that they also have 30 acres of agricultural land that they will have a water contract for and that if they needed to or wanted to they could request from the District to transfer some of that water up to the sand and gravel operation. Mark Clark stated that we have received all of the applications for all of these items that are listed here, they are detailed in your book, and all of them meet the requirements and staff is recommending approval of this agreement. This will clear up the Water Way Holdings Contract that has been sitting out there for a number of years now. And again, this is not new water this is water that is accounted for in the water inventory. Perry Muscelli made a motion to approve, John Kai seconded, Vince Vasquez and Charles B. Sherrill Jr., abstained. All were in favor, motion passed.

- C. **AZ Treasurer Bonded Indebtedness Report.** Discussion and possible action to ratify the submittal of the completed AZ Treasurer Bonded Indebtedness Report. Mark Clark reported that staff received notice from the Arizona Treasurers office earlier in September, after the last Board meeting. The state treasurers office is now in control of keeping track of the indebtedness for governmental entities within the state. We fall under that, we currently do not have any indebtedness within the District, we have no leases, no capital leases, we have no debt of any kind. That report was due to the treasurer's office by last Friday before this Board meeting so I have completed the application, you have a copy of it in your book, and it basically shows that the District has no indebtedness. It use to be the county that tracked this but is now the state treasurer's office doing it. We sent the report in last Friday. We are looking for the approval to ratify it. Perry Muscelli made a motion to approve, John Kai seconded, all were in favor, motion passed.
- D. **MVIDD Insurance Renewal.** Discussion and possible action to approve the property insurance renewal for MVIDD. Mark Clark stated we received the renewal notice for our insurance for the District, everything is exactly the same as last year, there is no increase in premium. The board had a couple of questions on it. We need to pay this before the next board meeting, so Mr. Clark's recommendation to the board is to approve up to this amount of the premium and if it is a little less after the questions posed then we pay the lessor amount. John Kai made a motion to approved up to the premium

amount, Perry Muscelli stated that there might be an increase. Mark Clark stated that we would bring that back to the board in that case and ask the insurance company for an extension of the payment due. Perry Muscelli seconded the motion, all were in favor, motion passed.

5. PUBLIC INPUT.

No public input, Charles B. Sherrill, Jr. thanked everyone that came.

6. ADJOURNMENT.

John Kai made a motion to adjourn, Perry Muscelli seconded. Meeting adjourned at 4:22pm.