

# MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

Approved  
09-05-2017

## MEETING MINUTES FOR THE REGULAR BOARD MEETING HELD JULY 18, 2017 AT THE OFFICES OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

**CALL TO ORDER.** Chairman, Charles B. Sherrill, Jr., called the meeting to order at 4:04 pm.

**PLEDGE OF ALLEGIANCE.** Perry Muscelli led the Pledge of Allegiance.

### ROLL CALL.

Present Charles B. Sherrill Jr., Chairman/Director Division III  
Vince Vasquez, Director Division II  
Clay Vanderslice, Director at Large  
Perry Muscelli, Treasurer/Director at Large  
Mark R. Clark, CCM, Manager  
Michael J. Pearce, District Counsel  
Kerri Hatz, 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. Manager Mark Clark reported that the water use for January through May of 2017 is 13,853 acre feet of water compared to 12,838 acre feet of water last year, we are about 1,000 acre feet ahead of last year. Agricultural used 11,790 acre feet of water compared to 10,548 last year, so we are 1,242 acre feet ahead of last year.
- B. Bureau of Reclamation Lower Colorado Water Supply Report. Mark Clark reported that water at Lake Powell is at 64% with an elevation of 3,635 and Lake Mead is at 38% full with and elevation of 1,079.

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.

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. Perry Muscelli made a motion to approve, Vince Vasquez seconded the motion. All in favor, motion passed.

- A. Approve the May 02, 2017 Executive Meeting Minutes.
- B. Approve the May 02, 2017 Regular Meeting Minutes.
- C. Ratify payment of expenses for May 2017
- D. Ratify payment of expenses for June 2017

#### 4. REGULAR AGENDA.

- A. **July 01, 2017 Comprehensive Fee Schedule** Discussion and possible action to approve the 2017 Comprehensive Fee Schedule. Mark Clark stated that staff is making a recommended change to the Comprehensive Fee Schedule and that is to change the Interim Water ABU Entitlement fee from \$116.00 an acre foot to \$50.00 an acre foot. This would put the fees in line with what we are charging the Amenity Contracts. Perry Muscelli made a motion to approve, Clay Vanderslice seconded the motion. All in favor, motion passed.
- B. **2018 Annual Water Order.** Discussion and possible action to approve the 2018 Annual Water Order. Mark Clark reported that we are going to order 39,187 acre feet of water in total, 4,326 acre feet of that would be PPR water, 1,250 acre feet of that will be from our purchase from MCWA and 33,611 acre feet will be 4<sup>th</sup> priority water out of the Districts 41,000 acre foot contract. Perry Muscelli asked if this was the first year we have taken the 1,250 acre feet of water purchased from MCWA? Mark replied that we have taken it every year since we made the purchase. Clay Vanderslice made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.
- C. **Industrial Water Allocation Contract Master.** Discussion and possible action to approve the Master Industrial Water Allocation Contract. Mark Clark stated this is the Master Contract for Industrial water use, we only have one contract of this type. There are a couple of changes being recommended, one was to extend the term from twenty (20) years to thirty (30) years, and the second one was to add in verbiage at the end of the contract to allow for a renegotiation of the contract extension in the last two (2) years of the contract. Those are the two changes proposed to the Master Industrial Contract. Staff is making a recommendation to approve those changes. Clay Vanderslice made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.
- D. **Becknell Contract 2007-02; T17N, R21W, Section 07; APN: 224-07-031. Reduce Water Contract to 848.40 acre feet of water.** Discussion and possible action to approve reducing the Agricultural water allocation from 966.00 acre feet of water to 848.40 acre feet of water returning 87.60 acre feet of water to the

District's water inventory for Agricultural use and 30 acre feet of water to transfer to Commercial use. Mark Clark stated that during their beneficial review, we discovered that a portion of the land that was under agricultural use and is now being used by the Freeman Building for commercial use. We need to reduce their contract to the maximum allowable usage by the District of 7 acre feet of water per irrigable acre. The District will be receiving part of this water back to the District inventory and they will be transferring 30 acre feet of that AG Water to the commercial use they have. Vince Vasquez made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

- E. **Becknell; T17N, R21W, Section 07; APN: 224-07-030. Application for a Commercial Water Allocation for 30 acre feet of water.** Discussion and possible action to approve the application for a Commercial Water Allocation for 30 acre feet of water transferred from Becknell Contract 2007-02 at a fee of \$250.00 per acre foot of water. Mark Clark stated that this 30 acre feet of water will come from the previous item the board just approved, this is a transfer of water from agricultural use to a commercial use. Commercial water use does not have a contract, it is a permanent water use. What we are proposing is slightly over 10% of what they would normally have to pay for a commercial entitlement. Vince Vasquez asked if that was standard and on the fee schedule? Mark stated this is not a standard fee this is a one-off item, however he believes in the future the District needs to make a policy for these types of transfers, District's legal counsel, Michael Pearce interjected that this is not a transfer this is a conversion of use. Perry Muscelli asked if we had a policy in place for these conversions and Mark replied not at this time. Again, Mark stated that in the future we need to put together a policy for these types of conversions, but since we do not have anything in place yet, we need to take some time to think about how this will work, looking at what fees are being charged at the AMA's and down in the Phoenix area to see what a reasonable charge is for this type of conversion. Mark stated the normal rate for a commercial use is \$2,100 an acre foot and what we are asking for is slightly more than 10% of the normal amount and if the Board wants to change that \$250.00 it is up to the boards discretion, but this is what staff is recommending. Perry Muscelli made a motion to approve, Vince Vasquez seconded the motion. All in favor, motion passed.
- F. **Call of Election.** Discussion and possible action to approve Resolution 2017-01, Call of election of Division III Director. Mark Clark stated that this year the Director of Division III is up for election, the Resolution just calls for the election and this is a standard item that we bring to the board every year, there is only one position open this year and staff is making a recommendation of approval for the Resolution. Perry said he doesn't understand the need to call for election, Michael Pearce stated that AZ Statues require the District to call for an election. Perry Muscelli made a motion to approve, Vince Vasquez seconded the motion. All in favor, motion passed.
- G. **Burger King; T19N, R22W, Section 22: APN: 228-02-098; Application for 3 acre**

**feet of water for a Preliminary Commercial Water Allocation.** Discussion and possible action to approve the application for a Preliminary Commercial Water Allocation of 3 acre feet of water for Glencoe Properties, Inc., dba: Burger King. If approved, this would expire July 18, 2018. Mark stated that Burger King is moving from it's current location in the Safeway parking lot to the Highway on Highway 95 and Aztec in the Smith's parking lot, this will require them to get a new commercial water allocation. Mark stated that the current water allocation they have with the current location stays on the property, so whomever moves into that building will already have a water allocation and they will not need to come to the District for a water allocation, unless their use would be as such that they would need more water than the 3 acre feet of water associated with that property. Staff is recommending approval, Perry Muscelli asked what the \$200.00 fee was that was paid, Mark explained it was only for the application for a preliminary commercial water allocation and if the board approves this today then Burger King needs to pay for the preliminary water allocation fees of \$1,200.00 an acre foot for a total of \$3,600.00 just for the preliminary then when they are ready for the Final Commercial Water Allocation they will have pay the additional fees for the Final and at this time it is \$900.00 and acre foot. Perry Muscelli made a motion to approve, Vince Vasquez seconded the motion. All in favor, motion passed.

- H. **Patriot Estates Tract 4195B; T19N, R22W, Section 36; APN: 226-24-065. Application for a Preliminary Water Allocation for 22 lots in Phase B.** Discussion and possible action to approve the application for a preliminary water allocation for 22 lots, 7.48 acre feet of water. If approved, this would expire July 18, 2020. Mark Clark stated that this is the first new subdivision application we have had in about ten (10) years. They are looking at 22 lots and their need will be 7.48 acre feet of water, they have provided the preliminary plat, all taxes are current, the application fee has been paid, so staff is recommending approval. Vince Vasquez made a motion to approve, Clay Vanderslice seconded the motion. All in favor, motion passed.
- I. **Desert Star Academy Building "B"; T19N, R22W, Section 35; APN: 226-12-001; 1530 E Pinion Rd, Fort Mohave, AZ. Request for a Final Commercial Water Allocation for 8 acre feet of water.** Discussion and possible action to approve the request for a Final Commercial Water Allocation for 8 acre feet of water. Mark Clark stated that Desert Star has their preliminary water allocation that the board has previously approved and they are now ready for their final commercial water allocation, staff is recommending the conditional final be approved, and this will be pending until we receive a copy of the C of O from the County, we already receive the site plan. Clay Vanderslice made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.
- J. **WPI-TAC Farm AZ, LLC; T18N, R22W, Section 27; APN(s): 225-26-116, 225-26-110. Application to transfer water from APN Contract 2010-01 and Desert Land Contract 2012-03, 116.03 Gross Acres, 106.75 Irrigable Acres for 747.25**

**Acre Feet of Water.** Discussion and possible action to approve the application to transfer water in the amount of 747.25 acre feet of water. Mark Clark stated that WPI-TAC Farm has provided all the documents needed for this and we will also be reducing the Desert Land Contract because they retained 2.93 acres that will continue to be farmed as it has in the past. The remaining water allocation is being transferred to WPI-TAC Farm from this contract along with the entire contract from APN, and staff is recommending approval. Vince Vasquez abstained. Clay Vanderslice made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

- K. **Walmart Store #4203; T19N, R22W, Section 26; APN: 227-15-143. Request for Final Commercial Water Allocation for 12.74 acre feet of water.** Discussion and possible action to approve the request for a Final Commercial Water Allocation for 12.74 acre feet of water. Mark Clark stated that Walmart has had this preliminary allocation for quite some time and have had many extensions over the years and they are ready for their grand opening this week. They are requesting their final commercial allocation and staff is recommending their conditional final and this will be pending the District receiving their C of O from the County. Vince Vasquez made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

- L. **David and Elizabeth Kiker; 9873 Dike Rd., Mohave Valley, AZ; APN: 216-06-138. Application for .34 acre feet of water for a Residential Lot.** Discussion and possible action to approve the application for .34 acre feet of water. Mark Clark stated that we have received an application for this residential lot and all fees have been paid, they are going to be building a home with Maas Construction and there is a well already on the site, however, they need a right to use the water from the Colorado River and that is why they need to get an allocation from the District. Vince Vasquez made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

5. **PUBLIC INPUT.** No members of the public present.

6. **ADJOURNMENT.** Perry Muscelli made a motion to adjourn, Vince Vasquez seconded the motion. All in favor, meeting adjourn at 4:27 pm.