

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

Approved:
02/06/2018

**MINUTES OF THE REGULAR BOARD MEETING
HELD JANUARY 04, 2018 AT THE OFFICES
OF THE MOHAVE VALLEY FIRE DEPARTMENT AT 4:00PM
1451 Willow Dr., Mohave Valley, AZ 86440**

CALL TO ORDER. Chairman, Charles B. Sherrill, Jr., called the meeting to order at 4:15pm.

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
Michael J. Pearce, District Counsel
Mark R. Clark, CCM, Manager
Kerri Hatz, Administrative Assistant

Absent: John Kai, Jr., Director Division I

OATH OF OFFICE. Treasurer, Perry Muscelli, to swear in the newly elected member of the Board Pursuant to the November 14, 2017 election. Perry Muscelli administered the Oath of Office to Charles B. Sherrill, Jr., as the newly elected Director of Division III. The term beginning January 1, 2018 to December 31, 2020.

WAIVER MOTION. Motion to waive the reading of full minutes and resolutions presented for approval or adoption. Perry Muscelli made a motion, Vince Vasquez seconded the motion. All in favor, motion passed.

1. REPORTS.

- A. Staff report on water use. District Manager Mark Clark reported as of the 11 months ending November 2017, the district used 30,481 acre feet out of the 42,250 acre feet allocation. 24,998 acre feet was used for agricultural, 5,483 acre feet was used for municipal and industrial which is residential and commercial use. So 82.01% was used for agricultural and 17.99% was used for M & I purposes. That compares to 34,034 acre feet used last year ending November 30, 2016 and 28,344 acre feet of that

was agricultural and 5,690 acre feet was residential and commercial.

B. Bureau of Reclamation Lower Colorado Water Supply Report. Mark reported that Lake Powell is 58% full at an elevation of 3,623 feet. Lake Mead is 39% full as of December 18, 2017 1,081 elevation and as of today elevation is up a foot at 1,082. Lake Powell at this time last year was about 20 feet lower than this year. Chip asked that Mark explain the equalization program between Lake Powell and Lake Mead for the audience. Mark explained that if Lake Powell hits a certain elevation, an elevation of 3,654 feet, that we have an equalization release which actually releases a little extra water into Lake Mead. We are in that equalization range right now, so there is a good chance in 2018 we may get more than the 8.23 million acre feet of water released from Lake Powell into Lake Mead.

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. Perry Muscelli made a motion to move item 4A to be the last item of the Regular Agenda, Clay Vanderslice seconded the motion. All in favor, motion passed.

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. Clay Vanderslice made a motion to approve the consent agenda, Vince Vasquez seconded the motion. All in favor, motion passed.

A. Approve the November 07, 2017 Executive Meeting Minutes.

B. Approve the November 07, 2017 Regular Meeting Minutes.

C. Approve the November 20, 2017 Special Regular Meeting Minutes.

D. Ratify payment of Expenses for November 2017.

E. Approve the December 11, 2017 Special Executive Meeting Minutes.

F. Ratify payment of Expenses for December 2017.

4. **REGULAR AGENDA.**

A. **Public Education Presentation.** Presentation Only. Item moved to after 4D.

B. 2017 Census of Governments Survey of Local Government Finances.

Discussion and possible action to ratify the 2017 Census. Mark explained this was an item we needed to report prior to this board meeting so we are asking the board to ratify the report. This is census where we have to provide information on different items but primarily they are looking at debt. The District has zero debt, so it is a pretty easy census to fill out and staff is asking for ratification of this survey that was already submitted to the Federal Government. Perry Muscelli made a motion to approve, Vince Vasquez seconded the motion. All in favor, motion passed.

C. WPI II-COL Farm AZ, LLC; T17N, R22W, SEC. 13; APN(s): 224-23-017; 233.68 GA, 209.5 IA; Application to transfer 1,466.50 acre feet of water from Sarah Chesney contract 1989-02 and T9N, R23E, SEC. 33 & 34; APN(s): 216-18-002; 170.19 GA, 57.60 IA to transfer 383.84 acre feet of water from Mohave Valley Farms, LLC contract 2014-03 for a total of 403.87 GA, 267.1 IA to total 1850.34 acre feet of water to a new contract 2018-01. Discussion and possible action to approve the transfer of 1850.34 acre feet of water to WPI II-COL Farm AZ, LLC. Vince Vasquez recused himself from this item. Mark explained that this is a transfer and we have done many of these over the years. WPI II-COL is looking to transfer the water that Robert and Sarah Chesney had on their property. WPI purchased the property in November, the county has everything recorded, we were able to confirm both the irrigable and gross acreage, all taxes are paid, and we have the application and all paperwork that the District requires. Staff is recommending approval. Perry Muscelli asked if we had reduced the contract and if so by how much? Mark said yes, that Robert and Sarah Chesney had the second oldest contract in the District and their contract was roughly 40 acre feet more than what we are transferring. That 40 acre feet will come back to the District for use by someone else in the district. At the time that the Chesney's received their contract, the District was not reducing the irrigable acreage for ditches and roadways. These areas cannot be farmed or use any water on them so the District has a policy that we reduce the gross acreage by 8% so they can only get water for 92% of their land because we are assuming that the roadways and ditches are not getting water. Clay Vanderslice made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

D. Chesney Bureau of Reclamation Contract 5-07-30-W0321 for Topock Marsh Inlet Canal Use to transfer to WPI II-COL Farm AZ LLC; T9N, R23E, SEC. 33 & 34 T17N, R22W, SEC. 13. To inform the Bureau of Reclamation of the Districts concurrence of the transfer. Discussion of concurrence of the transfer. Vince Vasquez recused himself from this item. Mark explained that this item is a house keeping item for the previous item that was just approved. The Chesney's had a contract with

Bureau of Reclamation to use the Topock Marsh Canal to transport water because there are no wells in that area for the farms to use. This is to let the Bureau of Reclamation know that the District has no objection to the transfer of the contract between the Chesney's and WPI II-COL Farm AZ LLC. The Bureau of Reclamation specifically asked what the District's position was on this transfer and this is why it was brought to the board. Chip Sherrill commented that this is the Bureau's canal, the Bureau's water. Mark stated this is not increasing or decreasing anyone's entitlement, it's the use of a canal and has nothing to do with a water entitlement itself. It is only a transport mechanism. Perry Muscelli asked if we would normally get involved and Mark replied no, that the only reason we are is the Bureau asked us, Game and Fish, they asked everyone to make sure that no one had a problem with the transfer of the contract. We will be sending a letter to the Bureau of Reclamation stating that we have no objections transferring the contract to WPI. Perry Muscelli made a motion to approve, Clay Vanderslice seconded the motion. All in favor, motion passed.

A. Public Education Presentation. Presentation Only. Mark Clark gave a Power Point Presentation. See Attached Exhibit "A" Power Point.

- 5. PUBLIC INPUT.** Chip stated that we would now take comments from the individuals that signed up on the Speaker Cards. Several people spoke including James Barber, Brad Hoover, Roy Hagemeyer, Lois Wakimoto, Patrick Cunningham, Gary Watson, Cindy Christy, Hildy Angus, Suzanne Evans, Barbara Pape, Vince Nelson and Carri Ferris. All expressed their concerns and objections to any water leaving the District. Mohave County Board of Supervisors Chairman, Gary Watson advised that Mohave County opposes the transfer of Fourth Priority Colorado River Water for use in Central Arizona. Attached is a copy of his notes addressing the MVIDD Board that he handed into staff along with a copy of MVIDD Resolution 90-01 prohibiting the transfer of contracted water outside of MVIDD Boundaries. See attached Exhibit "B". Chip thanked everyone for coming and participating. We had over 105 members of the public in attendance.
- 6. ADJOURNMENT.** Vince Vasquez made a motion to adjourn, Clay Vanderslice seconded the motion. Meeting adjourned at 5:35pm.

EXHIBIT "A"

WHAT IS MVIDD?

- MVIDD IS AN IRRIGATION DISTRICT FORMED ON DECEMBER 23, 1968 PRIMARILY FOR THE PURPOSE OF DELIVERING WATER TO FARM LAND WITHIN ITS BOUNDARIES
- SOME FARMS WITHIN MVIDD HOLD INDIVIDUAL WATER RIGHTS (CALLED PRESENT PERFECTED RIGHTS) WHILE OTHERS RELY EXCLUSIVELY ON MVIDD WATER FOR AGRICULTURAL USE
- MVIDD HOLDS CONTRACTS TO DIVERT 42,250 ACRE FEET PER YEAR OF WATER FROM THE COLORADO RIVER AND THE ADJACENT AQUIFER UNDERLYING MVIDD LANDS
- ALL OF THE WATER THAT MVIDD PROVIDES COMES FROM THIS 42,250 ACRE FOOT ENTITLEMENT— ALL FARMS, HOMES, AND BUSINESSES THAT RECEIVE WATER IN THE BOUNDARIES OF MVIDD RECEIVE WATER FROM MVIDD'S COLORADO RIVER CONTRACT
- MVIDD DOES NOT, AND CANNOT SERVE WATER TO BULLHEAD CITY OR ANY OTHER CITY OR TOWN; THOSE CITIES AND TOWNS HAVE THEIR OWN INDIVIDUAL WATER RIGHTS

WHO IS MVIDD?

- MVIDD WAS CREATED UNDER STATE LAW AND IS A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, SOMEWHAT LIKE A CITY OR TOWN
- MVIDD IS GOVERNED BY A BOARD OF DIRECTORS ELECTED FROM LANDOWNERS WITHIN THE DISTRICT. THERE ARE FIVE MEMBERS ON THE BOARD
- BECAUSE IRRIGATION DISTRICTS WERE CREATED TO SERVE FARMERS, ONLY FARMERS ARE ELIGIBLE VOTERS, AND ONLY FARMERS CAN HOLD POSITIONS ON THE BOARD OF DIRECTORS
- ALL OF THE CURRENT BOARD MEMBERS REPRESENT ACTIVE FARMING INTERESTS WITHIN MVIDD—SOME REPRESENTING GENERATIONS OF MOHAVE VALLEY FARMERS

DOES MVIDD ALSO SUPPLY RESIDENTIAL AND COMMERCIAL WATER?

- YES. MVIDD HAS ALWAYS SUPPORTED USE OF ITS COLORADO RIVER WATER ENTITLEMENT BY RESIDENTIAL & COMMERCIAL DEVELOPMENT WITHIN THE DISTRICT, WHETHER IT BE NEW DEVELOPMENT ON VACANT LAND, OR CONVERSION OF FORMER FARM LAND TO MORE URBAN USES
- THERE ARE THOUSANDS OF HOMES AND DOZENS OF COMMERCIAL AND INDUSTRIAL ENTERPRISES CURRENTLY RECEIVING COLORADO RIVER WATER FROM MVIDD. PLUS, THERE ARE 3 GOLF COURSES & 2 MAN MADE SUBDIVISION LAKES RECEIVING MVIDD WATER
- MOST HOMES AND BUSINESSES GET THEIR WATER BILL FROM PRIVATELY OWNED WATER COMPANIES, WHO DELIVER AND METER THAT WATER TO INDIVIDUAL HOMEOWNERS AND BUSINESSES, BUT THE RIGHT TO USE THAT WATER COMES FROM MVIDD

WILL MVIDD CONTINUE TO SUPPORT RESIDENTIAL AND COMMERCIAL DEVELOPMENT?

- YES. FIRST OF ALL, EVERY RESIDENTIAL & COMMERCIAL PROPERTY THAT EXISTS TODAY IN MVIDD HAS A PERMANENT WATER ENTITLEMENT FROM MVIDD
- IN ADDITION, THERE ARE APPROXIMATELY 9,000 VACANT LOTS WITHIN MVIDD THAT ALSO HAVE PERMANENT WATER ENTITLEMENTS. HOMES BUILT ON THESE LOTS WILL PROVIDE HOUSING FOR APPROXIMATELY 22,500 NEW PEOPLE
- AS WE SPEAK, THERE ARE NEW RESIDENTIAL & COMMERCIAL PROJECTS BEING BUILT TODAY ON THE STRENGTH OF A PERMANENT WATER ALLOCATION FROM MVIDD, SUCH AS:

- | | | |
|-----------------------|------------------------------|----------------|
| • DESERT STAR ACADEMY | BURGER KING | WALMART |
| • FAIRWAY ESTATES | VALLEY VIEW AT SUNRISE HILLS | DESERT LAKES |
| • PATRIOT ESTATES | SUN VALLEY | MOHAVE LANDING |
| • VILLAGE ESTATES | WESTVIEW ESTATES | TWIN PALMS |

CAN MVIDD GET MORE WATER?

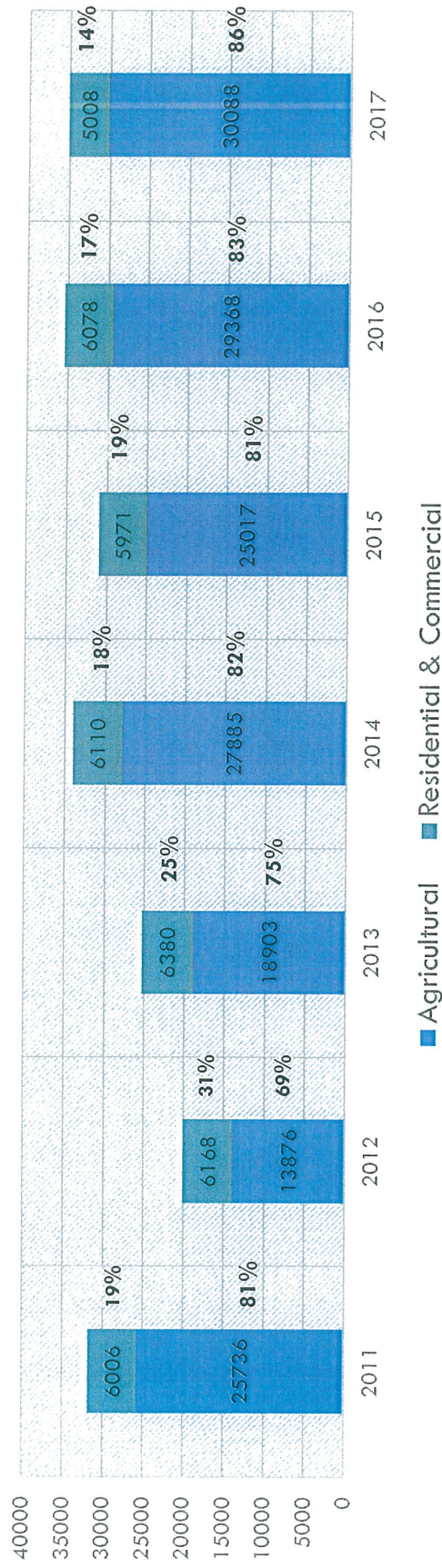
- COLORADO RIVER WATER IS VERY MUCH IN DEMAND AND NOT VERY MUCH IN SUPPLY. ADDITIONAL COLORADO RIVER WATER IS DIFFICULT TO OBTAIN.
- MVIDD DOES LOOK FOR OPPORTUNITIES TO ACQUIRE MORE WATER, BUT THERE IS VERY LITTLE AVAILABLE
- INSTEAD, MVIDD IS EXPLORING WAYS TO ACQUIRE RIGHTS TO USE RECLAIMED WATER, TREATED IN STATE OF THE ART TREATMENT FACILITIES AND AVAILABLE FOR USE WITHIN MVIDD
- MVIDD COULD USE THIS RECLAIMED WATER TO REPLACE THE FRESH WATER CURRENTLY BEING USED ON GOLF COURSES AND LAKES. REPLACING THAT WATER WITH RECLAIMED WATER WILL FREE UP MORE WATER FOR DEVELOPMENT IN MVIDD

HOW MUCH LAND IS IN MVIDD?

Description	Acres
Total (Gross) Agricultural Acres	6,180
Developed Residential and Commercial Acres	8,740
Undeveloped Residential and Commercial Acres that already have a permanent water entitlement	3,600
Undeveloped State and Federal Land	8,607
Undeveloped Private land with No water entitlement	4,360
Total Acres within MVIDD	31,487

WHO USES MVIDD WATER?

WATER USE BY TYPE



2017 ONLY INCLUDES 10 MONTHS OF DATA

MVIDD ALLOCATIONS ACRE-FEET ALLOCATED BY TYPE

Type of Use	Acre Feet of Use	% of Total Use
Agriculture	32,547	77%
Residential/Commercial	6,350	15%
Allocated Water but Currently Unbuilt Lots	3,060	7%
Currently Unallocated Water	293	1%
Total	42,250	100%

WHAT ARE THE FUTURE POPULATION PROJECTIONS FOR MVIDD?

Current Population (2010 Census)

16,980

The Arizona Department of Water Resources conducted a comprehensive study of rural Arizona to determine estimates of population growth. The results are tabulated based on a "Low" or "Medium" or "High" rate of growth estimate. The Table below shows those future estimates:

Population	2020	2030	2040	2050
LOW GROWTH	20,715	25,300	29,036	31,582
MEDIUM	21,904	28,526	34,300	38,884
HIGH	23,093	31,243	38,714	45,336

CAN MVIDD SUPPORT THIS GROWTH?

- ASSUMING THE “MEDIUM” GROWTH RATE FROM ADWR’S STUDY, MVIDD HAS ENOUGH WATER TO COVER THE PROJECTED POPULATION IN 2050 WITHOUT DOING ANYTHING—WITHOUT EVEN RETIRING ANY CURRENT AGRICULTURAL LAND OR ACQUIRING NEW WATER
- THE ALREADY ALLOCATED BUT UNUSED MVIDD WATER (APPROX. 9,000 LOTS) IS ENOUGH WATER FOR A FUTURE POPULATION OF ABOUT 22,500 MORE PEOPLE
- CURRENTLY UNALLOCATED WATER FOR FUTURE RESIDENTIAL AND COMERCIAL DEVELOPMENT IS ENOUGH WATER FOR A FUTURE POPULATION OF ABOUT 2,154 MORE PEOPLE
- AS AGRICULTURAL DOES (AND SURELY WILL) CONVERT TO MORE URBAN USES, THOSE USES ACTUALLY USE MUCH LESS WATER PER ACRE. ANY AG TO URBAN CONVERSION LAND ONLY ADDS WATER TO THE SURPLUS.
- IF 10% OF THE AGRICULTURAL LAND IN MVIDD WERE TO PERMANENTLY RETIRE, MVIDD WOULD HAVE ENOUGH WATER LEFT OVER TO DEVELOP ALL OF THE REMAINING PRIVATELY OWNED LAND WITHIN THE DISTRICT FOR RESIDENTIAL AND COMMERCIAL USE

IS MVIDD CONSIDERING AN AGRICULTURAL LAND FOLLOWING PROGRAM?

- YES. MVIDD HAS BEEN CONSIDERING A VOLUNTARY LAND FOLLOWING PROGRAM FOR MANY YEARS NOW. MVIDD HAS WATCHED WITH INTEREST OTHER SUCCESSFUL PROGRAMS (SUCH AS THE PROGRAM IN PALO VERDE IRRIGATION DISTRICT IN CALIFORNIA)
- ROTATIONAL LAND FOLLOWING CAN BE BENEFICIAL TO FARM LAND AND CAN PROVIDE ADDITIONAL INCOME TO FARMERS IN MVIDD WITHOUT ANY PERMANENT LOSS OF WATER RIGHTS
- ANY SUCH PROGRAM WILL HAVE TO BE WELL PLANNED, WILL HAVE TO PRESERVE WATER FOR THE FUTURE AND HAVE NO IMPACT ON FUTURE DEVELOPMENT IN THE MOHAVE VALLEY.
- MVIDD TAKES THIS MATTER SERIOUSLY AND WILL NOT EMBARK ON ANY PROGRAM UNLESS IT CLEARLY MEETS THESE FUNDAMENTAL CRITERIA

WHAT IS MVIDD'S FUTURE?

- MVIDD HAS WATER FOR FUTURE DEVELOPMENT WITHIN THE DISTRICT
- MVIDD'S AGRICULTURAL USE OF WATER TODAY HELPS ASSURE FUTURE WATER AVAILABILITY
- MVIDD'S WATER IS NOT VULNERABLE. IT CANNOT BE TAKEN AWAY BY OTHER MUNICIPALITIES, ADJACENT OR OTHERWISE
- MVIDD IS ALWAYS PLANNING, THINKING ABOUT AND DESIGNING ITS FUTURE.

EXHIBIT "B"

Talking Points for Mr. Gary Watson

Chairman of the Mohave County

Board of Supervisors

Before the Board of Directors of the

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

**NOTICE OF AGENDA FOR THE REGULAR BOARD MEETING TO BE
HELD JANUARY 04, 2018 AT THE OFFICES OF THE MOHAVE
VALLEY FIRE DEPARTMENT AT 4:00PM 1451 Willow Dr., Mohave
Valley, AZ 86440**

Good afternoon Mr. Chairman and Board Members, for the record, I am Gary Watson, Chairman of the Mohave County Board of Supervisors and I appreciate the opportunity to speak today and thank you very much for your time. I represent District 1 in Mohave County and have been the Chair or Vice Chair of the Board numerous times since 2009.

I have come today to advise this Board that as a matter of public policy, Mohave County opposes the transfer of Fourth Priority Colorado River Water - that has already been allocated to communities along the river - away from the mainstream of the River for use in Central Arizona. It is the transfer of this water away from the mainstream of the River that Mohave County must oppose by all means, in all forums, and for as long as it takes.

Mohave County takes no position on the sale of lands, and takes no position on the use of water on the mainstream of the River for local use.

Mohave County opposes diversion of Fourth Priority water from the Colorado River Mainstream to Central Arizona, and opposes Item 5a to the extent the Board authorizes any transfer of Fourth Priority water to Central Arizona for replenishment purposes. In

particular, the Central Arizona Project Memo on this proposed transfer recounts the purpose of the purchase to be: "(1) acquire secure rights to Colorado River water, and (2) implement a rotational fallowing program to generate a water supply for CAGRDR replenishment purposes."

Second, also as a matter of public policy, we do not support a three-county conservation district, in which Mohave County and eleven other counties have no elected representation on the Board, using its superior buying power to provide \$34 million in funds to buy and divert water from rural counties. Now, apparently, the CAP Board is going to ask you as this Board to assist them in transferring water from this District to central Arizona. The water that CAP seeks to buy and transfer is the economic lifeblood of our Rural County in Mohave Valley. It is our very future and now you seek to wheel it to three far wealthier counties for the benefit of some private farm owners from New York City. Our citizens demand that we protect their interests and oppose this action by all means.

We urge the Board to consider the historic ramifications of this proposed land purchase, and to consider that its purpose is to move water from Mohave County that was prudently set aside in 1968 for rural Arizona Colorado River mainstream users to Central Arizona.

I ask you to hold this matter and not approve any transfer of water and not approve any change in your policies that would assist that transfer in anyway.

Thank you for your time and for the record I have attached as Exhibit 1 the Mohave Valley Irrigation and Drainage District Resolution Number 90-01, approved and adopted on April 1, 2008, that prohibits the transfer of contracted water "outside of the District's external boundaries."

MOHAVE VALLEY IRRIGATION AND DRAINAGE DISTRICT
COUNTY OF MOHAVE, STATE OF ARIZONA

RESOLUTION NUMBER 90-01

A RESOLUTION PROHIBITING THE TRANSFER OF CONTRACTED WATER
OUTSIDE OF THE MOHAVE VALLEY IRRIGATION AND DRANAGE DISTRICTS
BOUNDARIES

WHEREAS, at the regular meeting of the Mohave Valley Irrigation & Drainage District (the District), Board of Directors, held at the Mohave Valley Fire Station, 1451 Willow Drive, Mohave Valley, Arizona on December 5, 1989 adopted resolution 90-01 prohibiting the transfer of water outside of the District

WHEREAS, it is the District desires to amend Resolution No. 90-01 to correct a scrivener's error.

NOW THEREFORE BE IT RESOLVED that any water contracted to them under the BOR Contract cannot be transferred outside of the Districts' external boundaries.

Revision approved and adopted this 1st day of April, 2008 by the following vote:

Directors voting IN FAVOR thereof:

NOES, Directors:

Charles B. Shultz
Charles B. Hosen
Clayton
Joseph E. Harsick

ABSENT, Directors:
David Lords