

MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT
MEETING MINUTES OF THE REGULAR BOARD MEETING
HELD MAY 01, 2018 AT THE OFFICES
OF THE MOHAVE VALLEY FIRE DEPARTMENT AT 4:00PM
1451 Willow Dr., Mohave Valley, AZ 86440

Approved:
06-05-2018

CALL TO ORDER. Chairman Charles B. Sherrill, Jr. called the meeting to order at 4:07 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
John Kai, Jr., Director Division I
Michael J. Pearce, District Counsel
Mark R. Clark, District Manager
Kerri Hatz, Administrative Assistant

Absent: None

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

1. REPORTS.

- A. Staff report on water use. Manager Mark Clark reported the total water use for the District year to date has been 5,080 acre feet of water that compares to 4,561 acre feet last year a difference of 521 acre feet. Of that, 3,950 acre feet of water was used for Agricultural and 1,141 acre feet for M & I use.
- B. Bureau of Reclamation Lower Colorado Water Supply Report. Manager Mark Clark reported that Lake Mead is at an elevation of 1,085 and Lake Powell is at an elevation of 3,610 it is down slightly from where it had been, this is the time of year when we typically see a lot of snow melt going into Lake Powell and we are not seeing much of that due to the lack of snow in the Rockies. Over the next few months where we would

normally see an uptick in the elevation of Lake Powell, it will more than likely continue to drop. They are talking about a possibility of Lake Powell dropping 20 to 30 feet during the rest of the year. Lake Mead is at 50% full and has been holding steady.

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 modification to the 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. John Kai, Jr. made a motion to approve the Consent Agenda, Clay Vanderslice seconded the motion. All in favor, motion passed.

A. Approve the April 03, 2018 Executive Meeting Minutes.

B. Approve the April 03, 2018 Regular Meeting Minutes.

C. Ratify payment of Expenses for April 2018.

4. REGULAR AGENDA.

A. Mohave County; Application to transfer water allocation; T18N, R22W, Sec. 27; APN: 225-26-109; 15 Gross acres, 13.80 Irrigable Acres, 30 Acre feet of water. Discussion and possible action to approve the application to transfer Elizabeth Dinkin's contract 2007-06 to Mohave County for a new contract 2018-02. County Manager, Mike Hendrix addressed the board. Chip stated that the county is looking to transfer the water contract from the purchase of Dinkin's land and this is pretty straight forward. Vince Vasquez made a motion to approve, Perry Muscelli seconded the motion. All in favor, motion passed.

B. Agricultural Water Use. Discussion and possible changes regarding Agricultural Water Use. Manager Mark Clark stated that this is an item that chairman has asked staff to look at in regards to what our policy is regarding agricultural water use. Mark stated we did not have enough time to get a policy together before the meeting so we will be getting something together for the next meeting. That's all we have on this item right now. County Manager, Mike Hendrix addressed the board and spoke on behalf of the citizens and said that they are concerned about this item and the county will be following very closely this item. Mr. Hendrix expressed that he hoped that any changes will be brought to the public and or website prior to making any changes for the public to comment. Mr. Hendrix referenced MVIDD's Bylaw's Article 3, section 3.14 so the people would have a chance to review it and make an informed decision

on whether to support those changes and if they want to speak on those changes. Chip stated that not only will we put it on the website, we will bring it to a meeting before we vote on any policy changes so the public has a chance to give input on any of those changes. Chip stated these policy changes will not be huge but something we need to look at every ten (10) years as far as what our water policy are as far as agricultural use. We want to make sure the policies are restrictive and follow the guidelines that we've set forward and maybe they are not as good as what we should have done ten (10) or fifteen (15) years ago, so we are going to improve upon those and we will bring it before the public and it will be on the website and we will wait on public comment before we vote on any of these things.

C. Following Program Update. Discussion Item Only. Chip asked Perry Muscelli to update us on the following program. Perry Muscelli stated that he and Chip have had a number of conversations with CAGRDR. They proposed a concept of a following program which we shared with your previously on a power point presentation back in January or February. We developed our own list of requirements and we have tried taking into our consideration everything we have been hearing from the public. We tried to take in consideration the interest of the property owners in the valley including the farmers. We have come up with our own list of demands and requirements and before we could procede to agree to anything we would have to have an understanding of certain protections to be in place. This was not something that CAGRDR was expecting and we have been very difficult to deal with to say the least. We are insisting that certain things would have to happen and those conversations have been very slow, and many times completely unproductive between parties. The discussion are still alive and still continuing we do not have anything we can really present because we are over here and they are over there still. We have not shut the door on anything until we feel we cannot resolve this or if we see it can be worked out. We intend on coming back to the public and report what we think is workable and why it is good for the greater community. Perry stated he believes what we are doing is putting this entire area in a better place than if we did nothing and when we look at all our alternatives, there are consequences for everything including doing nothing. Our goals are to put us in a place where we are better off as a result of doing this then we would otherwise. Unfortunately it is not mature enough and we have not come to a meeting of minds yet, maybe it will happen. However, we will come to the public and fully explain it so you can digest it, comment on it, and give us feedback. Half the board here are local and half are not and Vince is not participating in this and the local board members are very sensitive to this. We are just not at a place yet to really discuss any of this with the public because it is just too immature at this point. This is not going very fast and we are kind of digging in our heels saying, nope, things are not going to work that way. If you ask me

about anything in particular, we cannot do that right now. A member of the public asked if we were sticking to our deadline in June, Perry replied we do not have a deadline, they do. They negotiate with their seller and if they extend the deadline that is up to them. We have not been respectful of their deadline.

Susan Evans addressed the board asking if there was a written down number or a set rule of how many acres are needed to be a voting member. Chip stated that we follow to date what Mohave County has put in their guidelines according to density. Chip stated it depends on what you are farming. Mark Clark stated it could be as low as one (1) acre if you are doing what is called high density farming, which Susan Evans property is designated as high density farming. If you are just farming things like annual crops, then it is twenty (20) acres. If you are farming permanent crops, it's ten (10) acres. It depends on the type of crop you are farming as to the number of acres and that is per the assessor's requirement to designate land as agricultural land. The county has that written down and we follow those guidelines. Susan stated she has owned this property for a long time and has never been approached to become a voting member until recently and she finds that a little odd. Mark stated the board has never approached anyone to become an elector. Susan disagreed, and Mark said not since he has been manager here. Susan agreed it was long before Mark became manager. Susan said the other thing she would like to address is that she was going to apply for additional water and was told there is no more agricultural water available. Mark stated that is correct, but we do have water available for Municipal and Industrial uses. Susan stated then if you come here wanting to be a farmer there is no water available, Mark replied only if you are purchasing land that has water associated with it. Susan replied and you want to take water out of this area that seems a little odd. She stated she just wanted to be straight on this and if she gets her paperwork in, she will be third (3rd) in line on a waiting list behind Mr. Kai and Chip. Mark replied correct. Vince Vasquez commented that she could purchase water to be transferred to her property as an option. Susan asked if that was going to cost more than her regular allocation she gets now. Chip stated she would have to go to a farmer and ask that farmer to idle his ground so that you could buy that water from that farmer and transfer it to you or a portion thereof. Chip stated that ultimately the farmers have been holding this water and using this water as an agricultural water allocation. This water came to this valley to farm, that is why we have the water we have here, you may not look at it this way, but this agricultural land here has protected the water for the community all these years to make sure the Bureau doesn't take it away from us. If you do not use the water you lose the water, we want to use every drop that we can so that when there is a shortage the Bureau cannot come in and say you are not using that water so we are going to take it away. If in the future we run out of M & I water farming water can

convert to Residential, Municipal or Industrial water because farming water is seven (7) acre feet of water per acre and to subdivide it would take two (2) acre feet of water per acre to develop for M & I purposes. For every acre of farmland taken out of production you could develop 3 ½ acres for M & I purposes.

- 5. PUBLIC INPUT.** Chip answered questions from the public and addressed concerns about water being sold to Phoenix. Chip explained there is a lot of misperception about water being sold out of the district and never coming back and that is not true, a fallowing program is not selling water. At one time we were talking with MCWA about a possible fallowing program in times of shortages with Lake Havasu City and Bullhead City, but that did not come to completion. Other members of the public expressed their concern about CAP's goal of taking as much Colorado River water as possible to Tucson and Phoenix, others urged the board to do the right thing and keep water here and not change the resolution to allow water to transfer out of the district. One member of the public wants to see Vince Vasquez step down from being a board member and Chip says that will not happen, that Vince has recused himself from this issue and he is not of part of any discussions and or negotiations with CAGR. He stated that Vince is not in the room during our executive meetings on this subject and will not be voting on this issue. Perry Muscelli addressed the public and talked about if all the water is not used it does go downstream and CAP by law gets it. When Bullhead City does not use all of their water and right now they are not using 10,000 acre feet of their water, it goes downstream to CAP for free. Lake Havasu right now is not using all of their allocation and that water goes downstream to CAP for free. What this District is trying to do is put all of our water to beneficial use as to not go downstream. We need everyone to use their allocations here so that in times of shortages they do not look at us to take our water. A member of the public asked if we could bank our water and if not why? The board answered no and it was decided a long time ago. Lois Wakimoto asked the board if the district looks to do the fallowing program, would you change the place of use and type of use of water. District Counsel, Mike Pearce replied that the water being used here on the fields, and only the consumptive use portion of that water, not the return flow, would move to a different point of diversion, different place of use and different type of use for a temporary period. What we are talking about is through the Federal government's contracting authority under section 5 Bolder Canyon Project Act to make that a temporary transfer and temporary authorized a second place of use that would return back to this valley at the end of the term by default. Now, could somebody thirty (30) years from now change their mind about that, yes, we cannot control that. What we can control today is the ability to write the pathway with the Secretary of the Interior's signature on it that says it's a temporary use away from the District and comes back to the valley. But to answer your question specifically, yes, it would involve changing the place of use, change the point of diversion, and change the type of use for a

temporary time. Lois Wakimoto asked if we would have to go back to the Secretary of the Interior after that time. Chip replied no. Chip stated that he knows everyone in the public is skeptical, but if this is done right the Bureau of Reclamation, State of Arizona and the irrigation district can assure this water comes back under default. Members of the public asked how we can make it legal to bank water. District Counsel, Mike Pearce stated the only real banking that is going on is through the intentionally created surplus program that the seven (7) basin states agreed to back ten (10) years ago where states can bank water in Lake Mead. By proving to the other six (6) states that wet water that would otherwise be used was not going to be used and be stored in the lake for a future time. It is a restrictive program because that is so controversial, to allow somebody to put wet water in Lake Mead and call it their own as opposed to a common supply. There were very tight restrictions on who could do it and what it took to prove that you were really banking water, so it has been restricted to the state level. There are some exceptions and a lot of people would like to see that expanded to include other people. The Colorado River Indian Tribe is doing some but that is under a program in cooperation with the Bureau of Reclamation, which is equivalent to a state, so it is a very high level program and hard to break into. Our District does not have the authority to do it right now and the ability to get it is not going to be easy. Vince Vasquez added that the key to this is compensation. Anybody who is forgoing water for the purposes of it being left in Lake Mead, whether it's the Gila Indian Tribe or someone else, they are all being compensated and they are not donating their water to the purposes of the common good. Somebody is paying, whether it is the Federal Government, the state or CAP. CAP has done a lot of paying for that kind of water or Southern Nevada Water Authority or Denver Water or Metropolitan Water, all those people are compensating farmers, largely, for forgoing use and banking it there. That is no different than what is being done here. Another member of the public asked about Mexico's water allocation and Mr. Pearce spoke about that a little bit and about possible shortage sharing in times of shortages. Mr. Pearce stated that we have a very solid contract with the Bureau and we have some Present Perfected Rights. This District's water is very secure and on that point one of the things the District has done is in the economic boom years, we allocated water to subdivisions that have never been built. That water is permanently allocated to them and we cannot take it back even though it is sitting there on vacant land. So we cannot give that water to a farmer that's been waiting in line for it, we cannot use it, so it goes right down stream. There is nothing we can do about it, because by our own actions we allocated it for use. This is one of the things we are really trying to pay attention to because we are not helping this District or Mohave County by not using our full allocation. The best thing we can always do is use every drop of water that is allocated as long as you are putting it to beneficial use and not waste it. Part of this whole program is to make sure the District is using every drop of that water that we possibly can so that when shortages do occur, and people come knocking on our door, we can say we are using all of

our water please do not take it away from us. If that water is sitting there idle, it's the lowest priority when someone comes in and says you are not using it and we will take it thank you very much. A member of the public asked if we were able to store water behind Lake Mead would it raise the water level. Vince Vasquez stated that our allocation is 41,000 acre feet and if we banked all of our water, it would only raise Lake Mead less than half a foot. It is a systemic issue and you need a lot of different people adding water to that bucket to really address and a lot more money devoted to it to create the kind of water supply that addresses it. Right now there is tokenistic federal money being allocated to it but not enough to put a dent in it. Another member of the public asked what would be the best use of our water, would it be farming? District Counsel, Mike Pearce stated he has for many years been an advocate for not trying to solve all the water problems by taking water from farmers. Agricultural has a real place in Arizona, it has a wonderful history it's what has built the water we enjoy in this state. Agriculture uses over 70% of all the water used in this state, so if you took all that AG water and converted it to M & I, you could quadruple the population. Is that what we want? I think Agriculture has a real place and should stay, but it's clear the economics of the situation are developing to pay a lot more for water. You cannot farm on a \$100.00 an acre foot but you can build houses and that's what drives the situation. Chip thanked everyone for coming.

- 6. ADJOURNMENT.** Perry Muscelli made a motion to adjourn, Clay Vanderslice seconded the motion. All in favor, meeting adjourn at 5:21pm.