

# MEETING MINUTES OF COMBINED PUBLIC MEETING AND EXECUTIVE SESSION OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

Approved:  
10-02-18

September 04, 2018  
4:00PM  
Mohave Valley Fire Department  
1451 Willow Dr., Mohave Valley, AZ 86440

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Mohave Valley Irrigation and Drainage District and to the general public that the Mohave Valley Irrigation and Drainage District will hold a meeting open to the public on **September 04, 2018 at 2:00 pm** at 1460 E. Commercial Street, Mohave Valley, AZ 86440. As indicated in the agenda, pursuant to A.R.S. § 38-431.03(A) Item 2a, the Mohave Valley Irrigation & Drainage District may vote to go into executive session, which will not be open to the public, to discuss certain matters. The board will reconvene in **Open Session beginning at 4:00 pm at the Mohave Valley Fire Department at 1451 Willow Dr., Mohave Valley, AZ 86440.**

If the public wishes to address the Board regarding Regular Agenda Items, they may fill out the Request to Speak Form located in the back of the room. The form should then be given to the Administrative Assistant of the Board prior to the meeting. The time limit rule of 3 minutes maximum will be enforced.

**CALL TO ORDER.** Chairman Charles B. Sherrill, Jr., called the meeting to order at 2:19pm.

## 1. 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

## 2. Consideration of Action to go into Executive Session of the Board for the following purposes: John Kai, Jr., made a motion to go into executive session, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion Passed.

- a. Pursuant to A.R.S. §38-431.03(A)(3), consultation for legal advice and discussion with counsel on threat of Litigation from Mohave County.

*[The discussions and minutes of the executive session shall be kept confidential. The executive session of the Board is not open to the public.]*

3. **RECONVENE IN OPEN SESSION.** Perry Muscelli made a motion to reconvene in open session, Clay Vanderslice seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion Passed. Open session reconvened at 4:04pm.
4. **PLEDGE OF ALLEGIANCE.** Perry Muscelli led the Pledge of Allegiance.
5. **WAIVER MOTION.** Motion to waive the reading of full minutes and resolutions presented for approval or adoption. Perry Muscelli made a motion to waive the reading of the full minutes and or resolutions for approval or adoption, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion Passed.
6. **AGENDA MODIFICATION.** Possible action to withdraw from, or move, any item on the Agenda, including the removal of an item form the Consent Agenda.
7. **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 requested that item D be removed for separate discussion from Mark Clark. Vince Vasquez made a motion to approve the Consent Agenda except for item D, John Kai, Jr., seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion Passed.
  - A. Approve the August 07, 2018 Executive Meeting Minutes.
  - B. Approve the August 07, 2018 Regular Meeting Minutes.
  - C. Approve the August 13, 2018 Special Regular Meeting Minutes.
  - D. Ratify payment of Expenses for August 2018.
  - E. Ratify Engagement Letter with Perkins Coie.

## 8. REPORTS.

Item D. from Consent Agenda for separate discussion. Mark stated there are no expenses in this report that are above or beyond the normal bills that the District has. We have our legal, or membership dues for the MCWA, contract employment. We did have some expenses this time for the CLE that we all participated in last month, those bills are coming due this month. There is nothing unusual on the expenses. Chip asked Mark to explain what CLE is. Mark stated that CLE is a water law conference and John Kai, Perry Muscelli, Chip, Vince, and myself participated in that water law conference. Mark ask if

there were any specific questions, Perry responded that there were none and that the board had not had a chance to discuss it. Perry Muscelli made a motion to ratify the payment of Expenses for August 2018 and John Kai, Jr., seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion Passed.

Water: Mark Clark read staff reports on water usage of the district and current levels of water from Lake Mead and Lake Powell.

- a. Staff report on District water use.
- b. Bureau of Reclamation Lower Colorado Water Supply Report.

Finances: Mark Clark read staff reports on the full fiscal year and the balance sheet.

- a. Profit & Loss Budget vs. Actual year to date July 1, 2017 thru June 30, 2018.
- b. Balance Sheet as of June 30, 2018

## 9. REGULAR AGENDA

- A. **Ratify Bonded Indebtedness Reporting 2018.** Discussion and possible action to ratify the report submitted on July 30, 2018. Mark reported that on an annual basis we are required to provide a report to the state treasurer indicating how much debt and what type of debt the district has. This year's report is the same as every year since my association with the district, we have no debt, zero debt. The district has received a confirmation back that they have received our report and we are looking to the board to ratify the report submitted and that we have no debt. Perry Muscelli made a motion to ratify the report, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed.
- B. **Agricultural Water Use.** Discussion and possible action to approve Resolution 2018-02 regarding the requirements for an Agricultural Water Entitlement. (Continued by the Board at their June 5, July 10, August 7, 2018 Regular Meeting.) Mark stated this item has been before the board a couple of times previously and hopefully this will meet with your needs. You will see on page 2 that Mike Pearce added verbiage between items 1 and 2 and 3 and 4 that we believe will meet your needs and states "If the agricultural water user fails to meet the requirements stated above, the Board may determine, upon notice to the user and consideration of all facts, to revoke or reduce the water user's entitlement for lack of beneficial use, in accordance with the terms of the Agricultural Contract, with the following considerations" and the considerations are essentially the same but we've added that paragraph to try and address the issues you had. Vince Vasquez stated he appreciated that and that is exactly what he was aiming for. Vince Vasquez made a motion to approve Resolution 2018-02, John Kai, Jr.,

seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed.

- C. **Contract 2008-08; Herb Kai; T17N, R22W, Section 13: APN(s) 224-23-019. Per August 13, 2018 Special Meeting, Mr. Herb Kai to update the board on forward progress.** Discussion only update on work completed for Section 13. Admin. Assistant passed out a progress report to the board from Herb Kai. John Shelton, of Desert Engine & Pump, addressed the board to give an update on the current status of the well. (See Exhibit A). Vince Vasquez asked Mr. Shelton if Herb Kai has paid for this work and paid a considerable amount of monies showing that he getting the work down and paying for it. Mr. Shelton confirmed that. The board thanked Mr. Shelton for the update.

Chairman Charles B. Sherrill, Jr., opened the item to the public for comment and reminded them that there is a time constraint of 3 minutes just like the city and county. Mike Hendrix stated he was not here to object to item 9C or 9D, he just wanted to remind the board that Mr. Pearce brought up the fact that the board would have to address the concerns about the County's property of 15 acres only having 3 acre feet of water per acre. He stated that from time to time on the meetings that he has attended that this board has had the ability to redirect some of the waters regardless of the source to make those waters available to requestors. Mike Hendrix wanted to remind the board that Mohave County has requested 66.6 acre feet of water so that they could have the full amount of 7 acre feet of water per acre.

There was no action on this item.

- D. **Contract 2017-01A; John Kai & Jihong Trustees; T18N, R22W, Section 23; APN(s): 225-24-044 and 225-24-025. Extension Request to put water to beneficial use.** Discussion and possible action to approve the extension request from Mr. John Kai, letter dated August 10, 2018. John Kai, Jr., stated he was recusing himself on this item. Mark Clark stated this was a discussion item only. Staff and the board stated it was an action item. John Kai, Jr., addressed the board and advised them that the well is running and the sprinkler has been set up, they are waiting on Mohave Electric to finish up the power lines. They brought in a portable generator to test everything. Charles B. Sherrill, Jr., stated he has seen the water running on Section 23 near the highway. John stated they have a good well. John referred to his farmer, Richard Dorame, Jr. to update the board on this item. Richard stated that everything is up and running, we are waiting on MEC's inspection and by Friday everything is supposed to be done. Chip stated he has seen a disc over there, Richard said yes until the bearing went out. Perry Muscelli asked how long the extension was for. Mark Clark stated what originally happened is that this

contract was being called to the board for lack of beneficial use of the water. Extension may have been the wrong term, we were going to take his water back for lack of beneficial use, and so what you are going to do is extend or allow him to continue forward without losing any of his water. Perry confirmed that we are not extending because he already has a contract. Mark stated you are not going to take his water back, Perry stated that the appropriate motion then is to take no action to take the water back. Mark replied correct. Perry asked if there is another review point then in the future. Mark stated there would be in the future and he would need to look at the records in the office to see when the next beneficial review date is. Chip stated we don't need to wait until the next beneficial review date that we can look at forward progress and set a date on reviewing that to see if he is complying with that. Mark stated just like we are doing with Herb Kai's contract. Perry asked if the intention is to plant the ground now? Richard Dorame said he cannot give an exact date. Perry asked if this was brought back in November would this be done by then and Richard said it would be. Perry Muscelli made a motion to do a check up on this item in November, Clay Vanderslice seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed.

Lois Wakimoto addressed the board and asked if the board was giving him back his allocation of 1,000 acre feet of water. Mark stated we are not giving it back, we just are not taking it away. Lois asked if he is getting 1,000 acre feet of water, Mark stated that sounds about right. Lois asked if he has only used 550 acre feet in the past 4 years, what is he going to do with the other 450 acre feet that he has. Chip stated that this is why we do reviews and crop reports and water reports. Let's say next year we see the water report and he is only using 600 acre feet of his 1000 acre feet, then the board will take it under review and the board can say you are only using 600 acre feet you need to give 400 acre feet back to the district or the district can take it away or he can transfer it somewhere else. Lois wanted to know how much water has he used in the last couple of years. Mark replied that in the last year he has used 16% of his water, 17% last year and the year before that was 29% of his water. He has been using a portion of his water. The board has put this on review. Chip stated we did put it on review and put it in the public process and we are telling him that you're not using it and if you don't use it then we are going to take it away and that is why this action item is on this agenda today. He is showing forward progress, he has water and a well going, he has a sprinkler system and he is spending monies and they are getting ready to disc and plant. At the end of this year if he is only using 18% – 25% of his water, the board has the option to pull the water back and reuse it somewhere else. There are some circumstances with wells, motors and everything else and we try to motivate the person to fix those problems. It sounds like he has done that and has a really good well and Richard is

going to start farming. When we get done with this year and see how much water he is using, according to his contract, we will review it from there.

**E. Sunset Palms Tract 4183C; T19N, R22W, Section 26; APN(s): 227-15-141 and 227-15-090. Application for Preliminary Water Allocation for 41 Lots.** Discussion and possible action to approve the preliminary water allocation for 41 residential lots in phase C. The preliminary water allocation would be for 13.94 acre feet of water. If approved today the preliminary water allocation would expire September 04, 2021. Mark stated this is a new application for a preliminary water allocation for a subdivision. The applicant has completed two of the phases of the project, this is the third phase and they are looking for an additional 41 lots and here in the district we use .34 acre feet of water per residential lot and that is how we came up with the 13.94 acre feet of water for this development. He does not have any green space or open space in this portion of his development. Perry Muscelli asked Mark how many acres are in this development. Admin assistant, Kerri Hatz, replied 9.12 acres. John Kai, Jr., made a motion to approve the preliminary water allocation, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed.

**F. Patriot Estates Tract 4195C; T19N, R22W, Section 36; APN(s): Application for Preliminary Water Allocation for 41 lots.** Discussion and possible action to approve the preliminary water allocation for 41 residential lots in phase C. The preliminary water allocation would be for 13.94 acre feet of water. If approved today the preliminary water allocation would expire September 04, 2021. Mark stated this development also has the same number of lots as the previous development and again it would be for 19.94 acre feet of water. When the residential lots get their initial allocation they get 3 years before the preliminary allocation expires or it requires an extension if the project is not completed. The extension is only allowed a 2 year time frame. The first initial process of a subdivision takes longer to go through the county's planning and zoning processes and all of the engineering plans. Perry Muscelli asked if this was a final plat. Mark replied no that this is a preliminary. Chip stated that a couple of years ago the district changed its policy because of the down turn of the economy and the amount of money it takes to get a subdivision off and running these days. We have to allow enough room to allow these subdivision to go through the county processes. The engineer might put something together and then the county kicks it back because they found something wrong with it and then it goes back to the engineer to make corrections then back to the county to see if they approve it and that can happen with any subdivision, no fault to the county or the engineer, this is why we adopted this kind of policy to

initially give them more time to build their subdivisions. It used to be two years and prior to that it was one year, it was not fair to the home builder and developers. Mark stated back then the county did not have the time or resources but now they do and things are picking up again. John Kai, Jr., made a motion to approve the preliminary water allocation, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed.

**10. CALL TO THE PUBLIC.** *Those wishing to address the Board at the Call to the Public regarding matters not on the Board agenda must fill out and submit to the Administrative Assistant a Call to the Public – Request to Speak Form located in the back of the room prior to the meeting. Action Taken as a result of public comments will be limited to responding to criticism, referral to staff, or placing a matter on a future Agenda. Comments are restricted to items **NOT** on the Regular Agenda, and must relate to matters within the jurisdiction of the Board.*

Barbara Pape addressed the board and suggested that a water conservation advisory committee be put together.

**11. ADJOURNMENT.** John Kai, Jr., made a motion to adjourn the meeting, Vince Vasquez seconded the motion. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Motion passed. Meeting adjourned at 4:37pm.

Agendas are available on our website [www.mvidd.net](http://www.mvidd.net), as well as posted outside the District office bulletin board outside the office door located at 1460 E. Commercial Street, Mohave Valley, AZ 86440. To subscribe to agenda notifications please visit our website.

Pursuant to the Americans with Disabilities Act (ADA), Mohave Valley Irrigation & Drainage District endeavors to ensure the accessibility of all its programs, facilities, and services to all persons with disabilities. For an accommodation please contact the District office at 928-768-3325. Requests should be made 48 hours prior to the meeting to arrange the accommodation.

Items on Agenda marked with an asterisk (\*) will be discussed in executive session with District counsel in accordance with A.R.S. § 38-431.03(A)(3)(4) & (7).

September 04, 2018 Regular Board Meeting Minutes  
Exhibit "A"



Desert Engine & Pump  
12628 S 177<sup>th</sup> Lane, Goodyear AZ, 85338  
623-693-4142, Sheltonswellservice@gmail.com



August 26, 2018

Herb Kai  
PO Box 2305, Cortaro AZ, 85652

Dear Herb Kai,

In my Professional opinion, I believe your lack of water production is not due to the location of your well, but due to it's design. Your previous well contractor drilled the well with 24" casing to 100'. He than drilled and drove 18" casing to 150' and gravel packed the annular space between the 24" and 18" well casing. We suspected that the perforations starting at 80' to 150' may not be enough to get the proper flow needed for production. In addition, the gravel pack used on your well was not well rounded and large enough to allow proper water flow.

Up to this point, we have done the following:

- We have set up a 28L Bucyrus Erie cable tool drilling rig with support dog house.
- The entire pumping system has been pulled.
- We have extracted the 18" well casing from the well, leaving 100' of 24" well casing in the ground.
- We have cleared all the preexisting gravel pack installed.
- Finally we perforated the 24" well casing with a mechanical mill knife from 60' to 95'.

We now plan to install 18" well casing to 150', then drill and drive the casing another 100' to a total well depth of 250'. After we hit our desired depth of 250', we will gravel pack the annular space between the 18" and 24" casing with 3/8 Tacna gravel. This gravel is specially selected for its well-rounded appearance and size which allows better flow for the passing water. If there are any additional questions, please fill free to contact me.

Sincerely,

John W. Shelton

Desert Engine & Pump

Company: Herbert Kai  
 Bank: JPMorgan Chase Bank, N.A. / # 127236970  
 Supplier: Desert Engine & Pump

Check Date: August 29, 2018  
 Check Amount: \$12,612.50

Account # 1398

Invoice Number	Date	BuildingID	G/L Account	Description	Identification	Payment	Invoice Payment
082618	8/26/2018	HKMOHAVE	16390	Wells & Pumps		\$12,612.50	\$12,612.50

PAID AUG 29 2018

PAID AUG 29 2018


Company: Herbert Kai  
 Supplier: Desert Engine & Pump

Check Date: August 29, 2018  
 Check Amount: \$12,612.50

Account # 1398

Invoice Number	Date	Building	Identification	Item Payment	Invoice Payment
082618	8/26/2018	HERBERT KAI (BUSINESS) - MOHAVE VALLE		\$12,612.50	\$12,612.50

Scanned  
 8/30/18 JS

Herbert Kai Kai Corporate Office PO Box 2305 Cortaro, AZ 85652-2305 (520) 791-2409	JPMorgan Chase Bank, N.A. 91-2 (122) <b>1398</b> August 29, 2018
Pay Twelve Thousand Six Hundred Twelve Dollars and Fifty Cents	*****12,612.50
To The Order Of: Desert Engine & Pump 12628 S 177th Lane Goodyear, AZ 85338	 AUTHORIZED SIGNATURE



REC'D  
AUG 29 2018

# Invoice 3

Desert Engine & Pump  
12628 S 177th Lane  
Goodyear, AZ 85338  
(623) 693-4142  
Contractors License No. 234508 Class CR53

BY: .....

Date : 8/26/2018  
Customer: Herb Khai  
Mohave valley

Salesperson	Job	Payment Terms	Due Date
John W. Shelton	Mohave valley well #1	Weekly	8/26/2018

Quantity	Description	Unit Price	Line Total
1	Load tooling at drill yard	\$225.00	\$ 225.00
3.5	Travel time to Drill rig from Buckeye AZ	\$100.00	\$ 350.00
9	Perforate 24" casing	\$225.00	\$ 2,025.00
10	Make up tools, Swab 24" casing	\$225.00	\$ 2,250.00
10.5	Clean out fill from swab 70'-100'	\$225.00	\$ 2,362.50
11	Relevel rig due to subsidence	\$225.00	\$ 2,475.00
3	Weld on drilling boot and run 20' of 18" casing	\$225.00	\$ 675.00
7	Per Diem for 7 nites for drilling crew	\$300.00	\$ 2,100.00
1	DWR Well Deepening permit	\$150.00	\$ 150.00

Subtotal \$ 12,612.50

**TOTAL \$ 12,612.50**

Herb -  
Is this ok <sup>OK</sup> HK  
to process?

Thanks.  
WW  
8/29

Make all checks payable to Desert Engine & Pump.

THANK YOU FOR YOUR BUSINESS!

16390 HK Mohave

**ENTERED**

AUG 29 2018

Initial: JS

Company: Herbert Kai  
 Bank: JPMorgan Chase Bank, N.A. / # 127236970  
 Supplier: Desert Engine & Pump

Check Date: August 20, 2018  
 Check Amount: \$7,150.00

Account # 1393

Invoice Number	Date	BuildingID	G/L Account	Description	Identification	Payment	Invoice Payment
081918	8/19/2018	HKMOHAVE	16390	Wells & Pumps		\$7,150.00	\$7,150.00

PAID AUG 21 2018

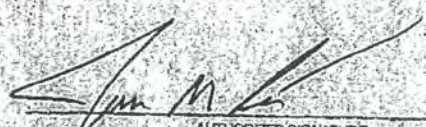
SCANNED  
 6-1 08-22-18

Company: Herbert Kai  
 Supplier: Desert Engine & Pump

Check Date: August 20, 2018  
 Check Amount: \$7,150.00

Account # 1393

Invoice Number	Date	Building	Identification	Item Payment	Invoice Payment
081918	8/19/2018	HERBERT KAI (BUSINESS) - MOHAVE VALLE		\$7,150.00	\$7,150.00

Herbert Kai Kai Corporate Office PO Box 2305 Cortaro, AZ 85652-2305 (520) 791-2409	JPMorgan Chase Bank, N.A. 91-2 1221	1393
		August 20, 2018
Pay	Seven Thousand One Hundred Fifty Dollars and Zero Cents	*****7,150.00
To The Order Of	Desert Engine & Pump 12628 S 177th Lane Goodyear, AZ 85338	
		AUTHORIZED SIGNATURE



Desert Engine & Pump  
 12628 S 177th Lane  
 Goodyear, AZ 85338  
 (623) 693-4142  
 Contractors License No. 234508 Class CR53

# Invoice 2

Date : 8/19/2018  
 Customer: Herb Khai  
 Mohave valley

Sale person	Job	Payment Terms	Due Date
John W. Shelton	Mohave valley well #1	Weekly	8/20/2018

Quanty	Description	Unit Price	Line Total
12	Setup perforator and cut off 18" casing	\$225.00	\$ 2,700.00
8	Pull 150' of 18" casing from well	\$225.00	\$ 1,800.00
8	Sand pump gravel pack to 115'	\$225.00	\$ 1,800.00
5	Per Diem for drill crew	\$300.00	\$ 1,500.00
1	Poor new rope socket for Swab	\$225.00	\$ 225.00

1	Over payment from last weeks billing cycle	-\$875.00	\$ (875.00)
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<u>16390</u>			
HK Mohave		Subtotal	\$ 7,150.00
		<b>TOTAL</b>	\$ 7,150.00

**PAID**

AUG 20 2018

Initial: JS

Make all checks payable to Desert Engine & Pump.

THANK YOU FOR YOUR BUSINESS!

Company: Herbert Kai  
 Bank: JPMorgan Chase Bank, N.A. / # 127236970  
 Supplier: Desert Engine & Pump

Check Date: July 30, 2018  
 Check Amount: \$5,000.00

Account # **1387**

Invoice Number	Date	BuildingID	G/L Account	Description	Identification	Payment	Invoice Payment
073018	7/30/2018	HKMOHAVE	16390	Wells & Pumps	Deposit	\$5,000.00	\$5,000.00

*SCAN*  
*CS. of - 02-18*

**PAID JUL 30 2018**

Company: Herbert Kai  
 Supplier: Desert Engine & Pump

Check Date: July 30, 2018  
 Check Amount: \$5,000.00

Account # **1387**

Invoice Number	Date	Building	Identification	Item Payment	Invoice Payment
073018	7/30/2018	HERBERT KAI (BUSINESS) - MOHAVE VALLE	Deposit	\$5,000.00	\$5,000.00

Herbert Kai  
 Kai Corporate Office  
 PO Box 2305  
 Cortaro, AZ 85652-2305  
 (520) 791-2409

JPMorgan Chase Bank, N.A.

91-2  
 1221

**1387**

July 30, 2018

Pay Five Thousand Dollars and Zero Cents

\*\*\*\*\*5,000.00

To The Order Of  
 Desert Engine & Pump  
 12628 S 177th Lane  
 Goodyear, AZ 85338

*Herbert Kai*  
 AUTHORIZED SIGNATURE

iMessage  
Today 11:41 AM

JUL 2013

BY: [unreadable]

Desert engine & pump  
12628 S 177th lane  
Goodyear AZ 85338

\$5,000.00 deposit



I

Hello

Thanks

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