

## MINUTES OF THE PUBLIC MEETING OF THE MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

Held March 07, 2023

Public Meeting 4:00PM

Mohave Valley Irrigation & Drainage District

1460 E. Commercial Street, 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 Tuesday, March 07, 2023 at 2:00 pm via Zoom teleconference. As indicated in the agenda, pursuant to A.R.S. § 38-431.03(A) Item 2a thru 2d, 8E, 8F, 8I, 8L, & 8M 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 via Zoom beginning at 4:00pm

Topic: MVIDD Open Session

Time: Mar 7, 2023 04:00 PM Arizona

Join Zoom Meeting

<https://us02web.zoom.us/j/84510871142?pwd=S1VQOEtGbjcra0hhZk1xNjIYVVJpUT09>

Meeting ID: 845 1087 1142

Passcode: 409978

**CALL TO ORDER.** Chairman, Charles B. Sherrill, Jr., called the meeting to order at 2:10pm.

### 1. ROLL CALL.

Present: Charles ("Chip") B. Sherrill, Jr., Chairman/Director Division III  
Perry Muscelli, Treasurer/Director at Large  
Clay Vanderslice, Director at Large  
Kerri Hatz, General Manager

Via Zoom: Vince Vasquez, Director Division II  
John Kai, Jr., Director Division I  
Michael J. Pearce, District Counsel

Absent: None

**2. Consideration of Action to go into Executive Session of the Board for the following purposes:** Perry Muscelli made a motion to go into executive session, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

- a. \*Pursuant to A.R.S. §38-431.03(A)(3)(4) & (7), discussion and consultation with legal counsel of the District to obtain legal advice on any matter listed on the agenda.
- b. \*Discussion and consultation with legal counsel regarding water allocations within the District.
- c. \*Discussion and consultation with legal counsel regarding additional staffing at MVIDD.
- d. \*Discussion and consultation with legal counsel regarding future drought conditions and effects on MVIDD Contract with Reclamation.

*[The discussions and minutes of the executive session shall be kept confidential. The executive session of the Board is not open to the public.]* Clay Vanderslice made a motion to adjourn executive session, Perry Muscelli seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez- Y; Sherrill – Y. 3:55 pm.

**3. RECONVENE IN OPEN SESSION.** Open Session reconvened at 4:07pm.

**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 presented for approval or adoption, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**6. AGENDA MODIFICATION.** Possible action to withdraw from or move any item on the agenda. No action taken.

**7. REPORTS.**

Water: Staff summarized the District water use for the date ending January 31, 2023 and Chip reported on current Lake Powell and Lake Mead elevations.

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

Finances: Staff reviewed the finances with the Board of Directors.

- c. Profit & Loss Budget vs. Actual year to date July 01, 2022, thru January 31, 2023
- d. Profit & Loss Statement for January 2023.
- e. Balance Sheet as of January 31, 2023.

Other:

- f. MVIDD Staff Report. – General information to update the board members. Staff advised the Board of Directors:

All annual billings are due March 31, 2023.

The next board meeting we will start reviewing the budget, comprehensive fee schedule and payment rules for the District.

## 8. REGULAR AGENDA

### **A. Approve the February 07, 2023 Regular Session Meeting Minutes.**

Discussion and possible action to approve the regular meeting minutes for last month. Perry Muscelli made a motion to approve the meeting minutes, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

### **B. Approve the February 07, 2023 Executive Session Meeting Minutes.**

Discussion and possible action to approve the executive session meeting minutes for last month. Clay Vanderslice made a motion to approve the executive session meeting minutes, John Kai, Jr., seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

- C. Ratify Expenses for February 2023.** Discussion and possible action to ratify the expenses for last month. Perry Muscelli made a motion to ratify the expenses for last month, John Kai, Jr., seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

### **D. Milestone Mohave 2, LLC; Big Easy Storage; T19N, R22W, Sec. 15;**

**APN(s): 229-22-001L; Extension Request.** Discussion and possible action regarding the extension request for one (1) acre foot of Preliminary Commercial Water Allocation. Original application approved at the MVIDD March 01, 2022 regular board meeting. Staff reviewed the extension request and change of ownership with the Board of Directors. Chris Hughes, the owner of the project answered questions from the board. Vince Vasquez

made a motion to approve a one (1) year extension of the preliminary water allocation, John Kai, Jr., seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. This extension will expire March 05, 2024.

**E. \*Michael Grasso; 5645 Chickasaw Ave., Fort Mohave; T19N, R22W, Sec. 36; APN(s): 226-24-076; Application to transfer one (1) acre foot of water from AG Entitlement Contract 2009-01C (Green Acres Mohave) to Michael Grasso for Domestic use.** Discussion and possible action regarding the application to transfer one (1) acre foot of water from AG Entitlement Contract 2009-01C from Green Acres Mohave in section 31 to Michael Grasso for domestic use for a single-family residence. Perry Muscelli recused himself from this item. Staff reviewed the transfer application and supporting documents with the Board of Directors. Mr. Pearce, District Counsel, spoke to the need to record a covenant with Mohave County to restrict future splitting and or development of parcel 226-24-076. Mike Grasso confirmed that he is willing to do that, he has no intentions to further develop the remaining acres. Staff and Mr. Pearce will work with Mike Grasso to develop the form to record with Mohave County. Vince Vasquez made a motion to approve the transfer contingent of the recording of the land covenant. John Kai, Jr., seconded the motion. All in favor motion passed. Kai – Y; Muscelli – A; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**F. \*Suzanne Evans; 9638 Evans Lane, Mohave Valley; T17N, R22W, Sec. 09; APN(s): 216-11-117; Application to transfer AG Entitlement Contract 2011-01 (Beverly Kelley) for 161-acre feet of water to Suzanne Evans.** Discussion and possible action regarding the request to transfer Contract 2011-01 for 161-acre feet of AG Water to the new owner of the property. Parent Parcel 216-11-069 was split with Mohave County; Parcel 216-11-117 will be the farmed parcel where the contract is being transferred to. This parcel is 22.83 gross county acres. Staff reviewed the contract transfer application with the Board of Directors. There was discussion regarding the lack of detailed information on the farm plan and amount of water needed. With the recent land split, the acreage is less than the previous farm unit which had not been farmed in a few years. The Board of Directors do not want to transfer more water than what is required for the actual irrigable acres for the new farm unit. Suzanne Evans was not present to answer any questions from the Board of Directors. Perry Muscelli made a motion to table this item to a future meeting, Clay Vanderslice seconded the motion. All in favor, motion passed. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**G. Willow Valley Estates 21 Tract 4228; T18N, R22W, Sec. 21; APN(s): 225-23-034; 24 Lots. Extension Request of Preliminary Water Allocation for 19 Lots and transfer of 5 Lots to Parcel “C” being split into 5 lots.**

Discussion and possible action regarding the extension request and transfer request. This extension request is for 18 to 24-months. Staff reviewed the extension request for the 19 lots along with the transfer of water for five (5) lots left over from the original project to parcel “C”. Mr. Pearce, District Counsel, commented on the fact that this project does not have a final plat recordation with the county yet and the transfer of the five (5) lots is permissible under this proposed use. The Board of Directors addressed each request separately. Vince made a motion to keep with the standard extension of one (1) year for the extension of the preliminary water allocation for the 19 lots for Willow Valley Estates 21, Tract 4228, Perry Muscelli seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. Mr. Pearce, District Counsel, advised that this second request to transfer the preliminary water allocations to Parcel “C” which will split into five (5) lots which acreage is more than a standard home development, would need to record a covenant with Mohave County to restrict further development of the lots or future splitting of the lots. Ralph Roach, the owner of the project, advised that the back half of the lots are not developable, and he is willing to record with Mohave County a covenant regarding future development. Perry Muscelli made a motion to approve the transfer request of the excess preliminary water allocation for the five (5) lots contingent upon recordation of the covenant, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**H. Los Lagos Golf Club LLC; 6365 S. Entrada Via Verdes, Mohave Valley; T18N, R22W, Sec. 01; APN(s): 225-71-388, 225-71-389A, 225-71-390B, 225-71-391C and 225-71-392A. Application to Transfer Greg Sekura Inc Amenity Contract 2017-03 to the new owners Los Lagos Golf Club LLC.**

Discussion and possible action regarding the contract transfer request for the Amenity Contract 2017-03 for 550-acre feet of water to the new golf course owner. Staff reviewed the contract transfer request with the Board of Directors. Staff also advised that the new owner like to have the payment fees for the transfer of the contract be made in four (4) monthly payments. The Board of Directors addressed each request separately. Perry Muscelli made a motion to approve the transfer of Contract 2017-03 to the new owners, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

There was discussion between the new owners and the Board of Directors regarding the capital expenses from the recent purchase of the golf course, its improvements, the annual amenity water bill of \$46,750.00 and the fees to transfer the contract \$8,250.00. Perry Muscelli made a motion to approve a four (4) month extension of the \$8,250.00 with a 10% fee added each payment, Vince Vasquez seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**I. \*Mohave Valley Golf LLC; 1 Paseo El Rio, Mohave Valley; T18N, R22W, Sec. 11; Request for MVIDD to Change its Policy for Fees on Contractual Water Use Verses Actual Use and Request to Change from Yearly Billing to Monthly Billing.** Discussion and possible action regarding the request to change current MVIDD Policies regarding Water Billing. Staff reviewed and read the letter provided by Mr. Maas. Mr. Pearce, District Counsel, commented on the efforts of the golf course to conserve water in these times and commended Mr. Maas in doing so. Discussion with Mr. Pearce, the Board of Directors and Mr. Maas ensued regarding the policies for payments, the possibility of paying only for water use verses the contractual amount, effluent water, and the effects of golf courses in our community. The Board of Directors addressed the items separately. Vince Vasquez made a motion to have Mr. Maas and staff come up with a written agreement of the intended water use for MVG for 2023 and then staff can adjust the water bill according to that use, however, if that use is overrun, the golf course will be charged a 50% penalty of the price on the overrun amount. Perry Muscelli seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y. The seconded part of the request to be invoiced and pay monthly was discussed with the Board of Directors. Perry Muscelli made a motion to deny monthly payments or quarterly payments, our current payments rules do not allow for that. Staff recommended that possibly in June when the new budget and payment rules are approved, the policies may be reviewed and changed at that time. Vince Vasquez seconded Perry's motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**J. Herb Kai Farm; T17N, R22W, Section 09; APN: 224-19-001; Contract 2008-07. Herb Kai Remediation Agreement Contract 2008-07 Currently in Default.** Discussion and possible action regarding Contract 2008-07 and cure of Defaults. Staff updated the Board of Directors regarding the status of the farm unit repairs. There are repairs still needed to be done to a portion of ditches due to unforeseen additional leaks. Staff recommend a sixty (60) day extension to cure the defaults. Mr. Herb Kai commented that he would

appreciate that extra time. Ricardo Dorame believes the repairs can be rectified in that time frame. Chip Sherrill commented on the great progress that has been made to bring this farm unit back into compliance. Perry Muscelli made a motion to approve an extension of time to cure the defaults, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**K. 2022 Crop Report.** Discussion and possible action regarding the 2022 Crop Report for the Bureau of Reclamation. Staff reviewed the 2022 Crop Report with the Board of Directors. Perry Muscelli made a motion to approve the 2022 Crop Report, Clay Vanderslice seconded the motion. All in favor, motion passed. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**L. \*2023 System Conservation Agreement.** Discussion and possible action regarding 2023 System Conservation Agreement. Mr. Pearce, District Counsel, spoke about the recent draft 2023 Agreement that was received. There are some discrepancies in the length of the agreement, some date submissions, the terms of the July field inspections, and payment amounts. Mr. Pearce advised that this contract needs further review and discussions with Reclamation and is not ready for action tonight. No action taken.

**M. \*3D-Networks LLC.** Discussion and possible action to approve engaging in a 4-year Service Contract with 3D-Networks LLC regarding services for computers, internet, and website IT Services. Staff reviewed the proposal from 3D-Networks, and they are willing to do a three (3) year contract if needed instead of the four (4) year contract. Discussion with staff, Chip and Perry Muscelli ensued. Perry has great concerns regarding a lengthy contract and terms of the unseen contract. His concerns include the inability to end the contract if 3d-Networks does not perform to standard. Chip expressed the need of the District to keep the systems up and running and having the ability to have a contracted IT Tech available to us. Mr. Pearce advised that if it made Perry more comfortable he would review the contract but that it is probable a standard contract and if the company does not perform, the District can opt to not pay them. Vince Vasquez made a motion to approve a three (3) year contract with 3d-Networks, Clay Vanderslice seconded the motion. Majority in favor, motion passed. Kai – Y; Muscelli – N; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

**9. CALL TO THE PUBLIC.** *Those wishing to address the Board at the Call to the Public regarding matters not on the Board agenda can request to do so at this time. 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. No members of the public addressed the Board of Directors.*

Attendance via Zoom: Herb Kai, Bryce, Chris Huges, Barbara Spoonhour, Paul Bruce, Bo Hellams.

MVIDD District Office: Karen Summit, Ralph Roach, Kate McDonald, Tom Maas, Randy Maas, Nancy Maas, Mindy Frame, Tim Haynes, Kurt Fetters, Angelo Rinaldi, Mike Towne, Richard Dorame Jr., Sara Entner, Dana Beadle, Bob Boyd, Mike Grasso

**10. ADJOURNMENT.** Perry Muscelli made a motion to adjourn, Clay Vanderslice seconded the motion. All in favor, motion passed. Meeting adjourned at 5:45 pm. Kai – Y; Muscelli – Y; Vanderslice – Y; Vasquez – Y; Sherrill – Y.

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).

Vote Key: Y = YES; N = NO; A = ABSTAIN