

**MINUTES OF THE BOARD OF DIRECTORS MEETING
MOHAVE COUNTY WATER AUTHORITY
September 11, 2018**

The Board of Directors of the Mohave County Water Authority held a duly noticed meeting on Tuesday, September 11, 2018. The meeting was held at Red Robin Restaurant, 70 Swanson Ave., Lake Havasu City, AZ. Public notice of the meeting was given by a posting of a notice thereof pursuant to Arizona law, a copy of which notice is attached as "Exhibit A" to these minutes.

- I. Call to Order – The meeting was called to order at 11:50 a.m. by Chairman Lois Wakimoto. In attendance were the following members: Mark Clark, City of Bullhead City, Tom Sockwell, Mohave Water Conservation District, Doyle Wilson, Lake Havasu City, Jen Miles (alternate) City of Kingman, Chip Sherrill, Mohave Valley Irrigation & Drainage District. Others present included Jamie Kelley and Kelley Crenshaw of Law Office of Jamie Kelley, Kelly Garry and Gordon Groat, Lake Havasu City, Amy Levy and Viviane Baji, ADWR, Tina Moline, Ron Foggin, Melissa Ellico and Nancy Sipe, City of Kingman and Maureen George, General Counsel. Special guests included Linda Binder and Carol and Stuart Anderson who were instrumental in the formation of the Mohave County Water Authority.

Chairman Wakimoto welcomed Jamie Kelley on-board as the new General Counsel to the Mohave County Water Authority beginning October 1, 2018 and thanked her and her assistant, Kelley Crenshaw, for attending this meeting.

Chairman Wakimoto then recognized Chip Sherrill with a plaque for his invaluable help as former Chairman to the Mohave County Water Authority.

Chairman Wakimoto then recognized Julie Farshler with a plaque for her over 20+ years' service as administrative liaison for the members of the Mohave County Water Authority.

Lastly, Chairman Wakimoto presented Maureen George with a plaque and enthusiastically thanked her for her knowledge and contributions to this organization. Chairman Wakimoto expressed her sadness at losing Maureen's efforts in keeping the Mohave County Water Authority relevant and up-front in the continuing water wars.

A majority of the members of the Board of Directors was in attendance, thereby constituting a quorum for the transaction of business.

- II. **A motion was made by Tom Sockwell to approve the minutes of the July 10, 2018 (CANCELLED) and July 13, 2018 meeting, seconded by Mark Clark and approved unanimously by the members present. A motion was made by Chip Sherrill to approve the minutes of the June 12, 2018 meeting,**

seconded by Mark Clark and approved unanimously by the members present.

III. Review and Acceptance of Financial Reports. Tina Moline from Kingman prepared the financial reports and provided a brief breakdown of the various accounts contained therein. Tina stated that they have started working with QuickBooks so the reports have a different layout. Due to the new program, the quarterly reports will be presented at the December, 2018 meeting.

A motion was made by Chip Sherrill to accept the financial reports as presented, seconded by Doyle Wilson and approved unanimously by the members present.

Dues Discussion for 2019/2020 Tina Moline explained that Mohave County Water Authority cannot sustain the large budget they are operating with what is being taken in. She explained the handout that indicates three (3) scenarios for future budgeting, explaining that what is taken in in dues is not sufficient to sustain future budgets. Doyle Wilson suggested a cash reserve – perhaps a 10% scenario. Jamie Kelley suggests we should have a better idea by the December meeting regarding what budgets should reflect and MCWA will be able to make a more informed decision on what scenario would be best, but zero is not an option. **A motion was made by Chip Sherrill to discuss the dues at the December, 2018 meeting with a more informed decision at that time, seconded by Doyle Wilson and approved unanimously by the members present.**

IV. Discussion and Possible Action

A. Approval of Resolution 18-029 Amending Resolution 05-01 to Designate Member Entities Representative on the Lower Colorado River Multi-Species Conservation Program Maureen explained that the original Resolution 05-01 designated her as the representative for MCWA, Lake Havasu City, Mohave Water Conservation District, Mohave Valley Irrigation & Drainage District and Bullhead City on the MSCP Steering Committee. Since Maureen is retiring, a new representative for each entity will need to be appointed. This Resolution appoints Jaime Kelley as Mohave County Water Authority's representative and since Doyle Wilson represents Lake Havasu City on the Steering Committee, he will be Lake Havasu City's representative. As has been discussed previously, Mohave Water Conservation District, Mohave Valley Irrigation & Drainage District and Bullhead City will need to prepare their own Resolutions to appoint a representative. **A motion was made by Chip Sherrill to approve Resolution 18-029 Amending Resolution 05-01 to designate member entities representative on the Lower Colorado River Multi-Species Conservation Program, seconded by Mark Clark and approved unanimously by the members present.**

B. Approval of Engagement Letter with HintonBurdick for FY 2018 Audit Services Tina Moline noted that HintonBurdick is the same firm that provided MCWA with their audit last year, it is the same scope and cost and they plan on being here the last week of September. **A motion was made by Chip Sherrill to approve the Engagement Letter with HintonBurdick for FY 2018 Audit Services, seconded by Doyle Wilson and approved unanimously by the members present.**

B. MRG Contract (Note that this is IV.B #2) Maureen provided a handout to simplify the motion on what she will continue to assist the Law Office of Jamie Kelley with and continue to monitor through December 31, 2018. **A motion was made by Chip Sherrill as follows:**

Pursuant to MCWA's contract with the Law Offices of Maureen R. George (Firm), approved June 12, 2018, the Firm is authorized to continue to represent MCWA as follows through December 31, 2018:

- 1. LB and 7BS DCP (J. Kelley will handle AZ DCP).**
- 2. Consultation with J. Kelley as she deems appropriate on MCWA matters.**
- 3. Governor's Water Advisory Council, at no charge to MCWA, through December 31, 2018 unless written notice is given to MCWA Chairman of ending this representation at an earlier date.**
- 4. To facilitate 1, 2 and 3 above, MRG will keep copies of current files related to LB and 7BS DCP and GWAC through 12/31/18. J. Kelley will receive copies of all related files as they are generated. There will be no additional file transfer at the end of year. Files of Firm will be shredded/deleted at the conclusion of representation.**

Seconded by Mark Clark and approved unanimously by the members present.

C. Authorize MCWA to Join Arizona Agribusiness and Water Council Mark Clark advised the Arizona Agribusiness and Water Council has agreed to MCWA being a member, they are just waiting for the \$500 per year dues to be paid. The Council's mission is to maintain the integrity of Arizona's water supplies and the industries that rely on these essentials for the benefit of Arizona's economy. Jamie Kelley stated this is a strong group and it would be to MCWA's benefit to have access to their resources. Per Jamie, Mark Clark is a representative of MVIDD and is on the Executive Board of the Council, but Jamie would be the point of contact for MCWA membership, not Mark. **A motion was made by Chip Sherrill to authorize MCWA to join Arizona Agribusiness and**

Water Council, seconded by Mark Clark and approved unanimously by the members present.

V. Updates and Discussion

A. Legislative Update:

- 2019 Legislative Session Maureen stated it is expected to be an extremely busy water year at the Legislature. Groundwater legislation and DCP related legislation are very likely in 2019.

B. Additional Shortage Year and Long Term Supplies; NIA Water Reallocation NIA water reallocation is not likely to be available next round due to hydrology. Maureen advised that after DCP is completed there may be an opportunity to do an agreement with MVIDD or the on river tribes for shortage year supplies. A consultant (Carollo) is under contract to do long term water augmentation options for GWAC. They are moving forward at this time.

C. MSCP Update Maureen advised MSCP is still on track to meet our obligations.

D. Recovery/CAWCD Maureen advised RPAG is primarily looking at Central Arizona options but on river also part of discussion, especially regarding cost and additional recovery partners. Jamie Kelley will be taking over for Maureen on the RPAG Committee.

E. Firming Maureen advised all of MCWA's banked credits have had the down payments completed.

F. Colorado River Advisory Council ("CRAC"); Minute 323 Maureen advised CRAC has not met in a few years – it may be a thing of the past.

G. Update on Lake Mead and Lake Powell Levels Maureen referenced the attachment and advised the outlook is not good. Doyle Wilson commented that we are entering an El Niño year but higher temperatures are expected so the snow pack will melt faster.

H. Water Quality/Supply Update Doyle Wilson advised the Board Lake Havasu City is continuing the lake mapping plan with the funding coming from CCRSCo. He will speak more on this at the December meeting.

I. Update from Exploratory Following Committee Maureen advised she placed this item on the agenda to remind the Committee they need to meet. The Committee consists of Mark Clark, Doyle Wilson and Chip Sherrill.

J. Drought/Sustainability; Drought Contingency Plan Maureen advised she is handling the Lower Basin Seven Basin States and Lois and Jaime are handling the in-state.

K. AZ DCP/Conservation Plan Chairman Wakimoto advised there is a Steering Committee meeting every 2 weeks and she and Jamie Kelley have been travelling to Phoenix to attend small group meetings. Jamie Kelley advised at the December, 2017 CRWUA (Colorado River Water Users Association) conference, they want the Lower Basin states to sign but Arizona still has many issues to resolve. Jamie also advised there are rules on what can be held behind the dam according to the 2007 Guidelines. Chairman Wakimoto and Jamie will keep the Board updated at future meetings.

L. Quartzsite/CAGRD lease; MVIDD proposed water transfer; moving water off the mainstem Maureen advised ADWR ruled in our favor on the Quartzsite matter. The next step is United States action. Maureen is periodically checking the status and has advised Jamie to do the same. Maureen also advised the Following Committee to look at keeping fallowed water in Mohave County.

M. Governor's Water Advisory Council Maureen advised there has not been a meeting since June. As noted above, the GWAC Long Term Augmentation Committee does have a study in progress of long term options statewide.

N. Governor's Water Conversation Maureen advised this will be taken off future agendas. This is a thing of the past.

VI. ADWR Issues

A. Budget/Funding Viviane Baji from ADWR advised the Water Protection Fund has \$2.2 million available for the FY18-19 Grant Cycle. 23 applications were received the submission period, which ended on September 7. Public comments on the applications will be taken from September 12-October 26.

B. Governor's Water Augmentation Council (GWAC) Viviane advised GWAC has hired Carollo Engineers as the consultant on a statewide augmentation option study. The work will be completed within the year.

C. Governor's Water Conversation ADWR agrees with Maureen's suggestion the Board remove this item from future agendas as DCP has superseded the Water Conversation process.

D. Recent Developments Viviane advised U of A WRRC Conference 2019 will be held on February 1, 2019. If anyone is interested in speaking, please contact Mark Clark or Gerry Walker of ADWR, both of whom are on the planning committee.

E. Seven Basin States Study Update Viviane stated there is no update at this time.

F. Statewide Water Planning; Northwest Basin Planning Area Viviane stated ADWR is in the Request for Proposal state of conducting the Northwest Basins groundwater study as required by SB 1525. There is \$100,000 available for this effort. If ADWR does not receive any proposals, they will put out another request in the next few months. The work must be completed by December 30, 2019.

G. Drought Contingency Plan Amy Levy of ADWR advised ADWR and CAWCD are working together to bring DCP to closure in Arizona addressing a broad range of issues that respect the concerns of all stakeholders across the state. Amy advised the next Steering Committee meeting is on Thursday, September 13.

H. AWBA Update Amy advised the next AWBA meeting is scheduled for Thursday, September 19. This is the meeting where the AWBA typically discusses its preliminary Plan of Operation for the following year. The final Plan will be adopted at the AWBA meeting on December 5, after it goes through the public review process.

VII. Administrative Issues

A. File Transfer ((paper and electronic) Maureen advised that all paper files will be transferred to Jamie Kelley tomorrow and the electronic files will be transferred by the end of the month.

VIII. Call to the Public Carol Anderson expressed her privilege of working with Maureen and that creating MCWA was a very good, doable idea. She sends out a HUGE thank you to Maureen for navigating MCWA through the water world over the years. Jamie Kelley expressed her thanks to Maureen for being a great person to follow in guiding MCWA in the future and that Maureen took the steps necessary to well position MCWA going forward.

IX. Next regular meeting of the MCWA will be Tuesday, December 11, 2018 in Bullhead City. There were no items suggested for that meeting.

XI. The meeting was adjourned at 1:30 p.m.

Dated: Dec 11, 2018


Secretary-Treasurer
MOHAVE COUNTY WATER AUTHORITY