

MINUTES
MCWA Board Meeting Via Zoom (Due to COVID-19 Concerns)
JUNE 9, 2020 @ 11:30 a.m.

www.mohavecountywaterauthority.com

I. Call to Order

The meeting was called to order at 11:34 a.m. by Chairman Mark Clark.

- A. Pledge of Allegiance. The Pledge of Allegiance was not conducted as no flag was present.
- B. Roll Call. Roll call was taken. Present were Cal Sheehy, Mark Clark, Chip Sherrill, Jen Miles, and Gary Watson. Absent were Bill Trotter and Tom Sockwell.

II. Approval of Minutes:

- A. December 10, 2019 meeting. A motion was made by Chip Sherrill to approve the minutes as presented. Gary Watson seconded the motion. There was no discussion. The motion passed unanimously.
- B. May 6, 2020 Special Meeting. A motion was made by Chip Sherrill to approve the minutes as presented. Gary Watson seconded the motion. There was no discussion. The motion passed unanimously.

III. Agenda Modifications. There were no modifications to the agenda.

IV. Approval of Expenses. Chip Sherrill inquired about Highground's contract. Chairman Clark advised the contract expired the end of June. Mr. Sherrill also inquired about the legals services. Upon motion made by Mr. Sherrill and seconded by Mayor Miles, the expenses from November 2019 through April 2020 were approved.

V. Review and Acceptance of Financial Reports. Tina Moline presented the financial reports to the board. Following completion of Ms. Moline's presentation, a motion was made by Mr. Sherrill and seconded by Supervisor Watson to approve the financial reports.

VI. Review Colorado River system conditions

- A. Lake Mead and Lake Powell Levels
- B. Snow Pack Levels
- C. Drought Conditions

Chairman Clark reported on system conditions. Ms. Kartha, Arizona Department of Water Resources, confirmed this year was a Tier 0 shortage, representing a reduction of P4 priority water by Arizona.

VII. Discussion and Possible Action to:

A. Elect Officers

1. Chairman

A motion was made by Mr. Sherrill to elect Mark Clark Chairman, which was seconded by Supervisor Watson. By unanimous vote, Mr. Clark was elected chairman.

2. Vice-Chairman

A motion was made by Supervisor Watson, which was seconded by Mayor Miles, to elect Charles Sherrill as Vice-chair. By unanimous vote, Mr. Sherrill was elected Vice-Chairman.

B. Designate signors on bank account

Chairman Clark advised the board the signature card at Wells Fargo would need to be updated as a result of the change in officers. The chairman advised Kingman's representative, as well as the alternate, are signors as Kingman serves as MCWA's Treasurer. The Chairman and Vice-Chairman also serve as signors. Supervisor Watson made a motion to authorize Jen Miles, Travis Ligenfelter, Mark Clark, and Charles Sherrill as signors on the bank account. The motion was seconded by Mayor Sheehy. The motion passed unanimously.

C. Adopt 2020-2021 Budget

Chairman Clark requested Tina Moline present the budget being considered for adoption. The chairman reminded members the budget had been discussed at the May 6 Special Meeting as a part of setting the dues amount. The chairman also reminded the members the grant monies were monies to be paid to the City of Kingman for its water. Mr. Sherrill inquired about the attorneys fees and consulting contract category. Upon motion made by Mr. Sherrill and seconded by Supervisor Watson, the 2020-2021 Budget was adopted as presented.

D. Renew contract with general counsel at a new rate

Chairman Clark presented the matter of general counsel's contract to the members. The members were advised the rate had been reduced. Mayor Sheehy inquired about the reduction in rate by general counsel. Attorney Kelley advised the reduction was attributed to the reduced time commitment following completion of DCP. Upon motion made by Mr. Sherrill and seconded by Supervisor Watson, the contract was unanimously approved and the Chairman authorized to sign it.

E. Employ Hinton Burdick to conduct the Authority's annual audit.

The chairman requested Tina Moline present this item. Following Ms. Moline's presentation, Mr. Sherrill made, and Supervisor Watson seconded, a motion to employ Hinton Burdick to conduct MCWA's annual audit.

F. Review bill from and approve payment to Ryley Carlock, including transfer of funds from contingency to contract services

Chairman Clark requested Ms. Kelley present this matter to the board. Ms. Kelley advised the board of the total billings to date, the estimated budget initially discussed, concerns expressed about the billing in the course of the matter and adjustments previously made. Ms. Kelley recommended the board approve a final payment in the amount of \$5,000 to settle the account in full. Discussion ensued among members. Mr. Sherrill requested confirmation from Ms. Kelley that a \$5,000 payment would settle the account, which confirmation was provided. Upon motion made by Mr. Sherrill, and seconded by Mayor Sheehy, payment to Riley Carlock in the amount of \$5,000 as payment in full was unanimously approved.

G. Ratify the Renewal of Directors and Officers Liability Insurance-All Risks

General counsel Jamie Kelley advised the insurance had already renewed but the matter was presented to the board for ratification due to a change in the carrier recommended by the current insurance broker. The recommendation to change carriers was made to obtain broader coverage. Upon motion made by Mr. Sherrill, and seconded by Mayor Miles, the renewal of Directors and Officers Liability Insurance-All Risks was ratified.

H. Reappoint Legislative Committee

Chairman Clark presented the matter to the members explaining the purpose of the committee. He advised he and Mayor Sheehy were the current members and the committee was not very active last year as no legislation relevant to our area was scheduled for hearing. Upon motion made by Mr. Sherrill, and seconded by Mayor Miles, Mark Clark and Cal Sheehy were appointed to the legislative committee.

VIII. Updates and Discussion

A. Legislative Update

Jamie Kelley advised it was a very quiet year for water legislation. Not many of the proposed bills were scheduled for hearings at the committee level.

B. MSCP

Jamie Kelley advised MSCP is proceeding as scheduled.

C. Reconsultation of Interim Guidelines

Jamie Kelley advised the committee had not been reconvened yet but was anticipating a webinar meeting to be scheduled in the near future. She also advised she believes the states have been engaged in ongoing discussions.

D. Recovery Planning Advisory Group

Jamie Kelley reported the Recovery Planning Advisory Group ("RPAG") is in the process of updating "Recovery of Water Stored by Arizona Water Bank Authority: A Joint Plan by AWBA, ADWR and

CAP (2014). The first four chapters are essentially complete. The significant change is in how recovery occurs. Historically CAP has served as the recovery agent for AWBA. Long term CAP subcontract holders, primarily the cities, desire the ability to recover water directly on their own or with a partner but without CAP. CAP will be involved if wheeling through the CAP canal system is required. A wheeling agreement or exchange agreement will be necessary. BOR may also be involved to some extent because they use CAP to deliver Indian water. RPAG has met virtually twice to review revised portions of the Recovery Plan. The meetings have been effective in delivering information but seem to limit discussion. It remains unclear how beneficial the expanded recovery options are to On-river communities. Some costs remain unchanged without regard to the parties. Costs to recover the water and costs to wheel the water, which includes CAP's O&M charges and most importantly the cost of replacement water. Ms. Kelley reported she intended to evaluate the economics of banked water and its recovery. Right now it is the only source of additional supplies to On-river communities. We have been advised the shortage sharing agreement will likely not be renewed. Ms. Kelley advised she is uncertain where the reluctance is to renew the shortage sharing agreement is coming from, whether it is CAP or AMWUA cities. Very preliminary discussions about indirect reuse have been undertaken. To date, only obstacles have been identified.

E. Governor's Water Augmentation, Innovation and Conservation Council

Ms. Kelley reported the committee last met in March. The Director made a presentation on Indian Water Rights and Indian Water Settlements. The presentation is available on ADWR's website. Director Butschatzke invited Tribes to make a 20-25 minute presentation to the Council. Four Tribes present at the meeting requested to speak. The request was denied as not all Tribes were present. Representative Fernandez interrogated the Director on why the Tribes had not already been invited to present to the council. It was uncomfortable for all present. The past year was a very politically difficult year for ADWR.

GWAIC has three subcommittees that are meeting. The Long Term Augmentation published its report last fall. It is available on the website. The sub-committee is now looking at additional storage sites. At the last meeting, presentations were made on weather modification, forest grassland management and phreatophyte management. No singular activity provides resolution. All have benefits and costs. As a general trend, more science is being incorporated into water policy decisions. The Desal Committee has looked at brackish water in Buckeye and desalination plants. Presentations have been made on Yuma Desalination plant, and two desalination plants in El Paso and San Antonio. Brine disposal and costs to construct and operate remain hurdles. CAP believes operating the Yuma Desalination plant is economically viable. The Non-AMA groundwater committee has many voices in the rooms. Opposition to addressing the issues is often loudest. The committee is struggling to establish goals and how to address those goals. It has been directed by the GWAIC to consider rural AMAs.

F. Water Transfers: GSC - Queen Creek Request for Consultation

GSC and Queen Creek submitted a 281 page document to refute the claims of negative impact. The response set the stage for the federal process. ADWR water transfer policy is intended to foster collaborative management of the Colorado River. Transferee and transferor are encouraged to meet, discuss and resolve claims of negative impact. GSC and Queen Creek meet with no one. Several objectors sent letters to the Director expressing concern about GSC and Queen Creek's failure to

contact objecting parties to attempt to address concerns of negative impact requesting GSC and Queen Creek's response be rejected. The Director declined to reject the response and afforded objectors an additional 45 days to file a reply to the response. July 6, 2020 is the deadline.

G. ADWR Update and Discussion.

Vineetha Kartha advised the board she did not have anything to add to Jamie Kelley's report. She did advise the board that all meeting material and all materials relative to the transfer of water are available on ADWR's website.

IX. Call to the Public

None

X. Next Meeting: September 8, 2020 in Lake Havasu City, Arizona with Mayor Sheehy finding a location which accommodates social distancing. No items were proposed for the agenda for that meeting

XI. Possible action to convene in Executive Session of the Board pursuant to A.R.S. §38-431-03.A.3 to obtain legal advice from the Authority's attorney on any matter listed on the agenda

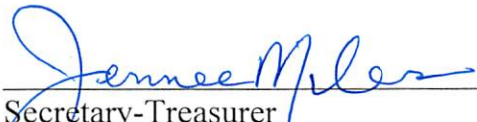
No executive session was held.

XII. Reconvene in Open Session

XIII. Adjourn.

A motion to adjourn was made by Mayor Sheehy and seconded by Mr. Sherrill. The motion passed unanimously.

Dated: 9-16-2020


Secretary-Treasurer
MOHAVE COUNTY WATER AUTHORITY