

MINUTES
MCWA Board Meeting
March 8, 2022 @ 11:30 a.m.
The Dambar Steakhouse, 1960 E. Andy Devine Ave, Kingman, Arizona
www.mohavecountywaterauthority.com

I. Call to Order

Chairman Clark called the meeting to order at 11:35.

A. Pledge of Allegiance

No flag being present, the pledge of allegiance was not said.

B. Roll Call

Roll was taken by Jamie Kelley. Present were: Chairman Mark Clark, Bullhead City representative; Mary Wall, Mohave Water Conservation District representative; Chip Sherrill, Mohave Valley Irrigation and Drainage District representative; Cal Sheehy, Lake Havasu City representative; Travis Lingenfelter, Mohave County representative; and Ken Watkins, Kingman representative.

II. Approval of Minutes: December 7, 2021

The minutes were considered by the board. A motion to approve the minutes as presented was made by Chip Sherrill, and seconded by Ken Watkins. The motion passed unanimously.

III. Agenda Modifications

No modifications were made to the agenda.

IV. Approval of Expenses

A report on the expenses for the months of November and December, 2021, and January of 2022 was made by Tina Moline. No board members had questions. A motion was made by Chip Sherrill to approve the expenses. The motion was seconded by Mary Wall. The motion passed unanimously.

V. Review and Acceptance of Financial Reports

A report on the finances of the authority through January 31, 2022 was made by Tina Moline. No board members had questions. A motion was made by Chip Sherrill to accept the financial reports as presented. The motion was seconded by Mary Wall. The motion passed unanimously.

VI. Discussion and Possible Action to:

A. Election of Officers (Chairman, Vice-chairman, and Secretary-Treasurer)

A motion to elect the representative from Kingman to serve as secretary treasurer was made by Cal Sheehy, and seconded by Travis Lingenfelter. After discussion, the motion to elect the representative from Kingman to serve as secretary treasurer passed unanimously.

A motion to elect the Mark Clark to serve as vice-chair was made by Ken Watkins, and seconded by Travis Lingenfelter. After the opportunity for discussion, the motion to elect the Mark Clark vice chairman passed unanimously.

A motion to elect the Cal Sheehy to serve as chairman was made by Ken Watkins, and seconded by Travis Lingenfelter. After the opportunity for discussion, the motion to elect the Cal Sheehy chairman passed unanimously.

B. Approve renewal of Directors and Officers Liability Insurance

Jamie Kelley advised the board the coverage for the Directors and Officers Liability Insurance remained unchanged. The premium, which is based upon payroll, decreased to \$2,317.00. Upon motion made by Chip Sherrill, and seconded by Mark Clark, the purchase of Directors and Officers Liability Insurance was approved and ratified.

C. Establish ordering and reporting policy for water used under MCWA subcontracts

Jamie Kelley reported the Bureau of Reclamation (BoR) desires the Authority to report the use of its water directly, rather than just through the subcontractors. An ambiguity exists in the contract as to whether or not the Authority may delegate the reporting requirement to the subcontractors.

Additionally, an issue arose in reporting the use of Authority water by MVIDD. MVIDD, when ordering its Authority water, specified it desired the Authority water to be delivered first. This practice is in compliance with the terms of its subcontract. In the absence of a specifically stated order, a subcontractor is deemed to have ordered its own water first. In reporting its use of water, MVIDD reported total quantity of water used with no breakout to match the order. The subcontract is silent on this issue. MVIDD believed the use report would be construed consistent with its order, which it was not. As a result, the BoR accounting report failed to reflect any use of MVIDD's Authority water. The BoR has since corrected the issue for the most recent water year, following a review of the contract.

As a part of resolving the accounting issue, the BoR has provided a spreadsheet for use by the Authority in reporting its water use by contract and subcontractor. Following discussion, a motion to adopt the Excel spreadsheet prepared by the BoR of Reclamation as the reporting form

to be used by Authority subcontractors to report use of Authority water was made by Chip Sherrill and seconded by Mark Clark. The motion passed unanimously.

- D. Terminate Mohave Water Conservation District Subcontract 95-103 and to amend and restate Bullhead City's Subcontract No. 95-102 effective June 30, 2022

Jamie Kelley reported that this matter was on the agenda to update the board on progress, solicit comments on the process, and to advise action to terminate the existing contracts and to approve amended and restated contracts would be on the June agenda. No further discussion or action occurred on this item.

- E. Establish dues and set budget for 2022-2023 year

A proposed budget for 2022-2023 was presented by Tina Moline. The proposed budget is substantially the same as the current fiscal year but included an increase in dues to better match revenues to expenses and time expended on behalf of members. Chip Sherrill questioned the continued expense of Highground Consulting, and suggested adoption of the budget be tabled until the June meeting to allow representatives to discuss the matters with their respective boards. Upon motion made by Chip Sherrill, and seconded by Mark Clark, the motion to table adoption of the budget to the June meeting passed unanimously.

VII. Updates and Discussion

A. Colorado River System

1. Lake Mead and Lake Powell Levels

Mark Clark presented information on the lake levels.

2. Conservation Programs

Jamie Kelley advised conservation programs are moving forward. Payments under DCP have been adjusted to match payments under 500 plus. Price is approximately \$265.61 an acre foot. 500 Plus is a bit behind schedule. DWR and CAP are experiencing difficulty in obtaining participation from mainstem users and some mainstem users are experiencing difficulty with BoR approving quantification of their conservation programs.

B. Legislative Update

The Harquahala bill which would authorize a certificated public utility to export water out of the basin to an AMA area has stalled. It passed the house but was the subject of a striker amendment in the senate.

Neither the RMA bill for Mohave County and Kingman nor the P4 prohibition received a hearing. The RMA bill was attached as a successful hostile amendment to a Rep Griffin bill which has been held in committee.

The Authority signed on in opposition to a bill that would change water adequacy rules in Pinal County. Changing the rules will not solve the problem. It will only increase pressure for supplies, especially from CAGR. D.

The Arizona Water Authority Act is a very broad piece of legislation making a significant amount of financing available for water supply purposes. It provides for: a recommending committee for the board; a 9 person board with 6 positions appointed by the governor; two funds for projects, the long term augmentation fund and water supply development fund, which includes what use to be WIFA; the power of eminent domain; and the power to issue revenue and refunding bonds. The bill allows for a significant lack of transparency. It limits representation on the board by the most populous counties and by political party. In its initial form it contained a prohibition against funds being used to acquire Colorado River supplies. A comment letter will be provided.

C. MSCP

The BoR provided notice, as required by the LCR MSCP Implementing Agreement to the MSCP Steering Committee and Permittees, an Endangered Species Act Section 7 consultation has been requested to be initiated with the U.S. Fish and Wildlife Service to provide coverage for flow reductions up to 1.574 million acre-feet between Hoover Dam and Parker Dam (Reaches 2 and 3). The Section 7 consultation was requested because downstream water deliveries to water users in Arizona, California, Nevada, and the Republic of Mexico have been reduced as a part of drought mitigation conservation efforts. The impact on riparian and aquatic areas must be evaluated under the act.

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

This committee has not met in 2022. The last subcommittee meeting of the Non-AMA subcommittee involved a presentation of concepts of the RMA legislation. Members of the committee requested a workgroup be established to discuss the issues. Co-chair Rep. Griffin opposed the establishment of a workgroup. An informal workgroup has been established. It will be sending a letter essentially requesting hearings be held on proposed legislation. The goal is to keep the conversation going and to perhaps create a critical mass for change.

E. Call to the Public

No comments were received during the call to the public.

VIII. Next Meeting: June 8, 2022 time: 11:30 a.m., in person, in Lake Havasu, Arizona.

IX. 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 convened.

X. Reconvene in Open Session

No executive session was convened.

XI. Adjourn.

The motion was adjourned by motion made by Chip Sherrill, seconded by Ken Watkins and unanimously passed.

These minutes were approved at the June 8, 2022 meeting.



09/19/2022

Secretary Treasurer