

**IN THE OFFICE OF THE BOARD OF DIRECTORS
WELLTON-MOHAWK IRRIGATION AND DRAINAGE DISTRICT
WELLTON, ARIZONA
NOVEMBER 1, 2011**

Minutes of a regular meeting of the Board of Directors held in the office of the Wellton-Mohawk Irrigation and Drainage District, Wellton, Arizona, November 1, 2011.

Directors Present: Jon Nickerson
 Marvin Marlatt
 Gary Wiechens
 Robert R. Woodhouse
 David Sharp
 Kent Murdock
 Mike Blohm
 Bruce Williams
 Patricia Ware

Also Present: Elston K. Grubaugh, Manager/Secretary
 Wade Noble, Legal Counsel
 Bobby Smith, WMIDD
 Gary Langford, WMIDD
 Tom Howell, Landowner
 Tom Baker, Landowner
 John Klingenberg, Landowner
 Shantel Quinonez, WMIDD

President Blohm opened the meeting at 1:28 pm.

MINUTES OF OCTOBER 4, 2011:

It was moved by Director Sharp, seconded by Director Nickerson and unanimously carried to approve the minutes of October 4, 2011, as presented.

CLAIMS:

Claims were presented for payment. It was moved by Director Murdock, seconded by Director Wiechens, and unanimously approved that demands No. 38458 through No. 38620 as shown on Exhibit "A" which is attached hereto, and which is by this reference made a part hereof, be allowed, and that warrants be drawn for their payment.

COLORADO RIVER FLOW CONDITIONS - INFORMATION:

As of October 24, 2011 Lake Powell was at 71% of capacity at Elevation 3650.98 with 17.34 MAF in storage. Unregulated inflow into Lake Powell averaged 10,500 CFS last week with storage in Lake Powell decreasing by 0.32 MAF in the last month. The release from Lake Powell is expected to average 15,500 CFS through the end of November. Lake Powell peaked at elevation 3660.90 on July 30.

Lake Mead was at 52% of capacity at Elevation 1120.09 with 13.37 MAF in storage. The release from Lake Mead averaged 8,700 CFS for the last week.

October unregulated inflow into Lake Powell was 0.650 MAF or 119% of normal. As of October 24, the Colorado River System was at 65% of capacity with 38.56 MAF in storage, up from 55% and 32.86 MAF a year prior. November unregulated inflow into Lake Powell is forecast at 0.625 MAF or 115% of average.

A graph depicting system storage data for 2003-2011 was also presented.

PROGRESSIVE WATER REPORT – INFORMATION:

The Progressive Water Report for October 2011 shows District diversions at 26,489 af, compared to 29,450 af for October 2010. The cumulative diversions-less-returns amount was 244,639 af, representing 88% of the District's 278,000 af allocation. Cumulative return flow credit for October 2011 was 111,619 af, compared to 119,377 af for October 2010.

M&I WATER USE - UPDATE:

The Manager provided the Board with a 4 year M&I Water Use comparison sheet which indicated that 2011 M&I use to be lower than the past 3 years.

BOARD OF DIRECTOR'S ANNUAL ELECTION – NOVEMBER 15, 2011:

The Manager reminded the Board of the Director's Annual Election to be held Tuesday, November 15, 2011, 8:00 am – 6:00 pm.

SPECIAL BOARD MEETING – MONDAY, NOVEMBER 21, 2011:

A special Board meeting was scheduled for November 21, 2011 at 9:00 a.m. to canvas the District Election results. Directors' Ware, Blohm and Wiechens volunteered to attend this meeting.

FINANCIAL REPORT – SEPTEMBER 2011:

The revenue and expense statements for the month of September 2011, for both Irrigation and Power were presented and discussed.

Irrigation revenue for the period was higher than predicted. Irrigation expenses were slightly lower than the amount budgeted.

Power revenue was slightly lower than predicted. Power expenses were also lower than the budgeted amount.

As of the end of the Third Quarter of the year, the District has a net operating margin of \$437,167.22 and year-to-date non-operating income of \$396,773.18 (investment interest and rental income).

FOOD SAFETY REQUEST:

The District has received several food safety requests from produce growers. The requests have asked that the District:

- a) certify the quality of water we deliver as being safe for produce,
- b) issue certificates naming the grower as an additional insured on the District's general liability and Workman's Compensation policies, and
- c) conduct a comprehensive water sampling program and furnish results to growers.

The District delivers water from the Colorado River through an open channel delivery system with over 400 miles of main and lateral canals. Because the District has no control over the quality of water it receives from the River, and because of the nature of its open channel delivery system, the District has adopted the following Operating Policy (District/Landowner/Operator Operating Policies):

12. District Liability During Water Delivery:

- a) The primary responsibility of the District during the execution of a water order is to bring water to the grower's turnout for delivery to an irrigator, and
- e) The District shall deliver water as is available without warranty or responsibility whatsoever as to quality, composition, content, or lack of fitness of such water for any use whatsoever, either at the point of delivery or thereafter. Any water user shall accept all water subject to such conditions.

Raw water sampling and testing is left to individual users as needed to meet the specific requirements of their use, location, and/or crop.

The current policy was adopted by the Board to protect the District from liability related to water quality issues. After the Board's discussion, it was decided to maintain the current policy as is.

RE-DISTRICTING PLANS - REVIEW:

The Arizona Independent Redistricting Commission (IRC) had released Draft Congressional and State Legislative District maps for public review. The IRC held a public hearing in Yuma at 1:00 p.m. on Saturday, October 29, 2011 in the Yuma City Council Chambers.

After a short discussion and the Manager recommended that a comment be sent on behalf of Wellton-Mohawk's concern for local representation.

CHALLENGE TO THE SALLADAY DOCTRINE:

Since 1909, Arizona Courts have recognized that canals and open waterways are inherently dangerous and are practically impossible to render harmless and that owners and operators of such waterways are immune from ordinary liability in the construction, operation, and maintenance of such waterways and their equipment. This recognition is known as the Salladay Doctrine.

Due to a recent drowning of a child in a Central Arizona Project canal, a Citizen's group is petitioning the State Legislature to remove protections afforded canal owners by the Salladay Doctrine.

The General Manager and Wade Noble will update the Board on statewide plans to track this issue and potential actions to oppose any legislative efforts to remove the Salladay Doctrine. Board contact with local legislators may be requested at the appropriate time.

CALL TO THE PUBLIC:

There were no comments from the public.

NEXT REGULAR BOARD MEETING – TUESDAY, DECEMBER 6, 2011:

The next regular board meeting was scheduled for Tuesday, December 6, 2011.

CASH ON HAND REPORT – NOVEMBER 1, 2011:

National Bank of Arizona	\$ 13,437,961.07
Working Fund	<u>5,000.00</u>
	\$ 13,442,961.07

The Manager informed President Blohm that he had no items to discuss in executive session. It was moved by Director Nickerson, seconded by Director Woodhouse, to adjourn the meeting at 2:51 p.m.