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To: Chairman Kelby Robison & MVWD Board of Directors
From: Joseph Davis, General Manager
Date: February 16, 2023
Subject: Secondary Water System – Phase I Temporary Water Share Lease Rate

Background

The District's Secondary Water System Phase I lease program was approved at the August 14, 2008 Board of Directors meeting. The program leases District owned Muddy Valley Irrigation shares to customers on a "One preferred share or equivalent per acre to be irrigated" basis. The lease program application was for a 5 year period. The District has continued the lease program after the initial 5 year program by sending a letter requesting the applicants desire to continue the lease for the following year.

At the 2022 MVIC annual share holders meeting, the share assessment was raised from \$40 per preferred share to \$70 and \$10 per common share to \$20. This increase was absorbed by the District in this year's Secondary lease program fee assessment.

The 2022 lease programs fee assessment was \$378.14 and is subject to a 3% increase each year. The District currently has 70 shares under lease, this represents a \$2,100 shortfall in the current lease program projections.

Staff is proposing to increase the lease fee an additional \$31 beginning in the 2023 lease season to help offset the abovementioned shortfall.

Suggested Motion

Move to increase the Secondary Water System – Phase I Temporary Water Lease Rate by \$31 effective immediately.