

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
REGULAR MEETING
March 2, 2010

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 9:03 A.M. in the City Council Chambers. Roll call showed the following Board members present:

Directors:	Tim Pellissier <i>Division 1</i>
	Gino Pedretti <i>Division 2</i>
	David Long <i>Division 3</i>
	Suzy Hultgren <i>Vice President/Secretary</i> <i>Division 4</i>
	Wil Hunter <i>President - Division 5</i>

The following were also present:

General Manager	John Sweigard
Deputy General Manager	Hicham Eltal
AGM Regulatory Compliance & Government Affairs (Water)	Geoffrey Rabone
Chief Financial Officer	Andre Urquidez
Recording Clerk	Cheryl A. Miller
General Counsel	Kenneth M. Robbins

PLEDGE OF ALLEGIANCE

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

Mr. David L. Gonzalves of 9859 N. Buhach Rd., Winton, CA addressed the Board regarding issues surrounding a private community pipeline. He stated that over the past three years he has made numerous pleas to the Board, penned written correspondence and expressed frustration that the matter remains unresolved. He demanded Lateral 7 be restored and all rights thereof and that the District deliver irrigation water to his family's land. He stated that if no good faith effort is put forth by the District in the next ten days, he will take action.

Mr. Anthony M. Roggero, Jr. of 2089 Gettysburg Ave., Merced, CA read a portion of the District's November 17, 2009, Board of Directors meeting minutes relating to his request that the Board take a position and provide evidence of its ownership rights versus permissive use of property underlying the MID El Nido Lateral "A". He stated the District has not done this and is again requesting it do so. Mr. Robbins stated this matter has been addressed several times over the past three years and noted the District's position is supported under pre-existing use by the El Nido Irrigation District's ("ENID") prescriptive easement on those canals dating back to the 1930's, which the District inherited through the merger with ENID. President Hunter stated that as this subject is not an agenda item the Board cannot respond to Mr. Roggero's concerns at this time. President Hunter recommended Mr. Roggero meet with General Manager Sweigard to further discuss this matter.

CONSENT CALENDAR

President Hunter presented Board meeting minutes of February 16, 2010; Payment of Bills for March 2, 2010; Report of the Collector for January 2010; Report of the Treasurer for January 2010; Out-of-State Travel Request 2010-3; and Uncollectable Accounts Receivable for 2009. On motion of Director Long, seconded by Director Pedretti, the Board unanimously approved the consent calendar.

COMMENTS BY BOARD SECRETARY/MEMBERS

None

ACTION ITEMS

Mr. Eltal requested the Board consider authorizing the General Manager to commence the 2010 El Nido Irrigation Season, using Mariposa Creek direct diversions, should conditions merit. Mr. Eltal reported that there are adequate flows in Mariposa Creek to divert water. He reviewed a list of growers interested in purchasing said water. Vice President Hultgren moved to authorize the General Manager to begin the 2010 El Nido Irrigation Season when conditions merit. Her motion was seconded by Director Pellissier.

Mr. Roggero inquired why the District does not take advantage of recharge water in this facility. He also stated that the Constitution requires an agency to support its costs when establishing fees. He inquired how the District justifies the \$20 per acre foot fee for this water.

Mr. Dave Famer of 8501 S. Highway 59, El Nido, CA inquired if any of the Mariposa Creek ("Creek") water is available to the sphere of influence ("SOI") group. Mr. Eltal stated he does not believe the District can deliver this water to SOI growers as the licenses invoked for Mariposa Creek diversions are not pre-1914 water rights in this area. He stated it may be available to certain SOI growers who have specific water filings on the Creek. President Hunter instructed Mr. Eltal to research the matter.

The Board unanimously authorized the General Manager to begin the 2010 El Nido Irrigation Season when conditions merit.

Mr. Eltal requested the Board consider authorizing the General Manager to start the 2010 Irrigation Season when conditions merit at current water rates, pending approval of the 2010 Operating and Capital Budget. Mr. Eltal stated staff does not recommend the immediate start of the irrigation season at this time, due to the effect on Lake Yosemite elevations coupled with uncertain weather conditions. Mr. Eltal stated staff recommends the Board authorize the General Manager to determine the most opportune time to begin the season. Director Pedretti moved to approved staff's recommendation. His motion was seconded by Director Long, who inquired what an approximate start date might be. Mr. Eltal responded that staff estimates beginning about the third week in March, subject to weather conditions. The Board unanimously authorized the General Manager to begin the 2010 Irrigation Season at his discretion.

Mr. Eltal requested the Board consider the claim of Mr. Jim Moulton of 1388 Dickenson Ferry Road, Merced, CA for alleged damage from the Zentner Lateral on January 18, 2010, during a storm event. He stated that Mr. Moulton is seeking reimbursement for damages to his swimming pool and adjoining garden and lawn areas in the amount of \$3,954. Mr. Eltal described the location of the event. Mr. Eltal stated that due to the amount of the claim, the Board can either deny the claim and forward it to the District's insurance carrier for investigation and settlement or approve the claim for direct settlement without formal investigation.

Director Hultgren stated it appeared there may be further issues to resolve. Mr. Sweigard stated staff could offer Mr. Moulton this amount as settlement in exchange for a release of liability as opposed to referring it to the District's insurance carrier for investigation. Director Pellissier moved to offer the settlement with release or refer it to the District's insurance carrier if the settlement offer is rejected. His motion was seconded by Director Long and unanimously approved.

Director Hultgren, in response to Mr. Roggero's earlier comments regarding the El Nido Irrigation Season fee, stated that these charges are necessary to cover the expense of manning canals and directing the water.

REPORT ITEMS

Deputy General Manager Eltal reviewed the Water Statistics Report. He reported that as of February 28, 2010, Lake McClure elevation is 772.03 feet compared to 723.62 feet in 2009; storage is 500,836 acre feet (AF) versus 328,586 AF in 2009; and inflow for the day before is 2,670 cubic feet per second (CFS) compared to 984 CFS in 2009. He reported precipitation is 9.39 inches or 111% of the 8.49 inch average. He stated that inflow for the month of February was 68,000 AF or 82% of average. He reported that February end-of-month storage was 500,800 AF or 94% of average.

Mr. Eltal reviewed the snow sensor water content data, measured in inches, as follows:

<u>Station</u>	<u>Elev. (ft.)</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>Apr. 1 Avg.</u>	<u>% Apr. 1st</u>
Gin Flat	7050	18.56 (31.9)	34.8 (99)	34.2	102%
Tenaya Lk	8150	22.71 (NA)	29.9 (NA)	33.1	90%
Ostrander	8200	---	29.31 (100.5)	34.8	84%

Note: Snow depth shown in parenthesis

Mr. Eltal did not provide an operations forecast because recent storms were not included in the latest Department of Water Resources Bulletin 120 and as such would not have provided a meaningful forecast. Mr. Eltal stated that the previous forecast holds with all assumptions until further information allows for a new forecast. Mr. Eltal reviewed temperature and precipitation forecasts.

Mr. Eltal reviewed snow water content comparisons in inches for 2008-09 and 2009-10. He stated that as of today snow at the 7000 foot elevation is significantly better than 2009.

Vice President Hultgren inquired if Black Rascal Creek is a flood control facility. She expressed concern for individuals who have set up encampments nearby. Mr. Robbins stated Black Rascal Creek is part of the Merced County Streams Group. She instructed staff and legal counsel to look into the matter. Mr. Robbins stated discussion would continue under closed session.

Mr. Eltal recognized Messrs Farmer and Favier from the Merced County Sphere of Influence Water Users Association in the audience. Mr. Farmer inquired if the Board has considered 2010 irrigation water rates. Mr. Eltal stated that at this time staff is using 2009 rates until a 2010 Budget is approved.

Director of Regulatory Compliance and Government Affairs (Water) Rabone reported the Federal Energy Regulatory Commission has not issued a decision on Instream Flow or Channel Armoring draft study plans. However, he stated staff continues to proceed with site selection for these studies. He reported on other continuing studies. He reported that public relicensing meetings were held last Thursday and Friday to discuss water operations and water temperature modeling.

Vice President Hultgren inquired if Mr. Rabone's travel approved today would replace his prior requested trip to Washington, DC. He stated it would not, but that it would lay groundwork for his visit with General Counsel Robbins to exclusively address the Spillway Modification Project. Vice President Hultgren recommended staff make a presentation to the Merced County Farm Bureau on this subject.

Mr. Rabone reported that he and Hydroelectric Project Manager Anthony recently attended a Vernalis Adaptive Management Plan ("VAMP") hydrology kick off meeting in Sacramento.

Mr. Rabone reported that the 70kV temporary transformer has been energized at the Exchequer Powerhouse. He read an email from Kevin Goishi from Pacific Gas and Electric Company, the Districts power purchase agreement contact, who complimented all involved in the process. Mr. Goishi noted the work was completed three days ahead of schedule with no injuries.

Mr. Rabone reported on a recent Board of Directors Parks Committee meeting that discussed potential revisions to Lake McClure houseboat policies relating to houseboat inspections and transfer fees. He stated staff intends to present said revisions at the March 16th Board meeting for consideration.

CLOSED SESSION

At 10:07 A.M. President Hunter called for closed session.

General Counsel Robbins stated the closed session was agendized to be held at the District's Headquarters office at 744 W. 20th Street, Merced, CA and that the meeting will thereafter be adjourned from that location.

Mr. Robbins stated there is one item with four subsets for closed session. He stated the item is to confer with the General Manager and General Counsel to give direction regarding potential and/or existing litigation. He stated authority for this action is under Government Code Section 54956.

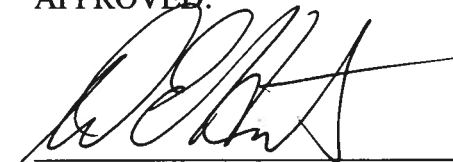
At 10:20 A.M. President Hunter convened the closed session with all Board members present.

At 12:47 P.M. President Hunter reconvened the meeting into regular session with all Board members present except Director Long who left the meeting at 11:30 A.M.

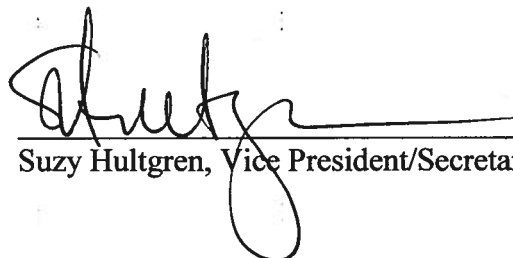
At 12:48 P.M., on motion of Vice President Hultgren, second by Director Pellissier, the Board unanimously adjourned the meeting.

The next regularly scheduled Board of Directors meeting is Tuesday, March 16, 2010, at 9:00 A.M.

APPROVED:



William E. Hunter, President



Suzy Hultgren, Vice President/Secretary