

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
REGULAR MEETING
April 20, 2010

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 9:05 A.M. in the City Council Chambers.

PLEDGE OF ALLEGIANCE

Roll call showed the following Board members present:

Directors:	Gino Pedretti <i>Division 2</i> David Long <i>Division 3</i> Suzy Hultgren <i>Vice President/Secretary</i> <i>Division 4</i>
------------	--

The following were also present:

General Manager Deputy General Manager Director of Regulatory Compliance & Government Affairs (Water) Director of Finance and Accounting General Counsel Recording Clerk	John Sweigard Hicham Eltal Geoffrey Rabone Andre Urquidez Kenneth M. Robbins Cheryl A. Miller
--	--

Excused Absences:	Tim Pellissier <i>Division 1</i> Wil Hunter <i>President - Division 5</i>
-------------------	--

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

None

CONSENT CALENDAR

Vice President Hultgren presented Board meeting minutes of March 30, 2010; Payment of Bills for April 20, 2010; and Withdrawal Request 786. On motion of Director Long, seconded by Director Pedretti the Board approved the consent calendar by the following vote:

Ayes:	Directors:	Hultgren, Long, Pedretti
Noes:	Directors:	None
Abstain:	Directors:	None
Absent:	Directors:	Hunter, Pellissier

COMMENTS BY BOARD SECRETARY/MEMBERS

None

ACTION ITEMS

Deputy General Manager Eltal requested the Board consider adoption of Resolution No. 2010-9 approving a water transfer up to 15,000 acre feet in coordination with water being released for a fish habitat study to be undertaken as part of the ongoing studies approved by the Federal Energy Regulatory Commission (FERC) for the Relicensing of the Merced River Development Project. Mr. Eltal stated MID's Merced River Hydroelectric Project relicensing effort is on-going before the FERC. He stated FERC has approved MID's Channel Armoring and Instream Flow study plans.

Mr. Eltal noted that for habitat modeling purposes, three calibration flows (i.e., low, middle, and high) are normally selected with the goal of achieving an even, logarithmic spacing of flows that allows for development of an adequate stage/discharge relationship in the habitat model. He stated that agencies desire MID collect a fourth stage/discharge point at a higher flow (high-high).

Mr. Eltal stated MID does not desire to release the flows for the high-high flow stage calibration if said flows cannot be put to beneficial use. He stated MID has been able to negotiate one year water transfer agreements with state and federal contractors, south of the delta, currently experiencing water shortages and in need of water supplies. Therefore, he stated, MID can accomplish release of the high-high flows for the fourth stage/discharge point data collection and complete water transfer agreements allowing the flows to be put to beneficial use.

Mr. Eltal stated the current proposed transfer price of the water is \$200 per acre-foot for a potential total of \$3,000,000. He stated this price may fluctuate based on water conditions. He stated this potential study water transfer was included in the 2010 Budget as revenue at \$2,070,000.

General Counsel Robbins stated that although the high high calibration flows are not mandated by the Federal Energy Regulatory Commission for relicensing, the information derived from the channel studies will be beneficial to the District's habitat plan as well as Delta studies that require low channel habitat studies that could be performed simultaneously.

Mr. Eltal recommended the Board adopt Resolution No. 2010-09 authorizing the General Manager to execute one year water transfer agreements with the state and federal contractors in an amount not to exceed 15,000 acre-feet. Additionally, he stated staff recommends the excess un-budgeted revenue be designated for future and existing water conservation capital projects. On motion of Director Pedretti, seconded by Director Long, the Board adopted Resolution No. 2010-9 by the following vote:

Ayes:	Directors:	Hultgren, Long, Pedretti
Noes:	Directors:	None
Abstain:	Directors:	None
Absent:	Directors:	Hunter, Pellissier

Resolution No. 2010-9 reads as follows:

MERCED IRRIGATION DISTRICT

RESOLUTION NO. 2010-9

**RESOLUTION OF EXEMPTION APPROVING A WATER TRANSFER TO
SAN LUIS DELTA MENDOTA WATER AUTHORITY
AND
A WATER TRANSFER TO DUDLEY RIDGE WATER DISTRICT,
KERN COUNTY WATER AGENCY, OAK FLAT WATER DISTRICT AND
TULARE LAKE BASIN WATER STORAGE DISTRICT**

WHEREAS, the Merced Irrigation District ("MID") is in the process of completing various studies on the Merced River as part of its ongoing Federal Regulatory Energy Commission Merced River Development Project license renewal; and

WHEREAS, one of the studies includes the release of steady flows downstream from its diversion points on the Merced River for set time intervals to complete certain measurements; and

WHEREAS, MID volunteered adding a high-high flow condition for said study to facilitate better data acquisition at this additional high-high flow condition, provided any flows not captured by MID's diversion channels on the Merced River could be utilized for beneficial uses downstream in a quantity not to exceed 15,000 acre-feet; and

WHEREAS, a water transfer to water purveyor agencies constitutes a beneficial use for said released flows; and

WHEREAS, the San Luis & Delta Mendota Water Authority, a United States Bureau of Reclamation ("USBR") water contractor, and Dudley Ridge Water District, Kern County Water Agency, Oak Flat Water District and Tulare Lake Basin Water Storage District; all Department of Water Resources ("DWR") water contractors wish to purchase up to 15,000 acre-feet of water for beneficial use; and

WHEREAS, MID is submitting a petition to the State Water Resources Control Board to facilitate said transfers.


THEREFORE, BE IT RESOLVED that the MID Board of Directors hereby approves, subject to general counsel review and approval, the water transfer agreement with the San Luis & Delta Mendota Water Authority, and a water transfer agreement with Dudley Ridge Water District, Kern County Water Agency, Oak Flat Water District and Tulare Lake Basin Water Storage District, all DWR water contractors.

BE IT FURTHER RESOLVED that the MID Board of Directors hereby authorizes the General Manager to execute said agreements with said agencies for up to 15,000 acre-feet of water.

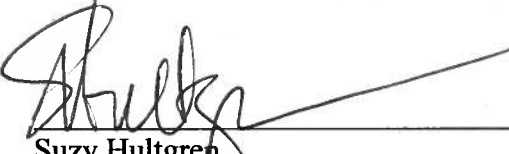
BE IT FURTHER RESOLVED that the Board hereby urges both the USBR and DWR to facilitate the most convenient and expedient process for the agencies to receive such water, given the agencies' water needs due to extreme water supply shortages.

PASSED AND ADOPTED by the Board of Directors of the Merced Irrigation District this 20th day of April 2010, by the following vote:

Ayes:	Directors:	Hultgren, Long, Pedretti
Noes:	Directors:	None
Abstain:	Directors:	None
Absent:	Directors:	Hunter, Pellissier



 William E. Hunter
 President
 Merced Irrigation District



 Suzy Hultgren
 Vice President/Secretary
 Merced Irrigation District

Mr. Eltal requested the Board consider adoption of Resolution No. 2010-10 Remote Service Area Water Management Project, approving staff to submit a competitive grant application. Mr. Eltal introduced Manager of Engineering Bryan Kelly.

Mr. Kelly stated that with Board approval, MID will complete (in-house) and submit a competitive United States Bureau of Reclamation ("USBR") grant application focusing on water conservation and water management activities and projects. He stated the District is looking for outside funding sources as a means of leveraging its own capital resources to fund its Remote Service Area Water Management Project.

Mr. Kelly stated the project would provide canal automation and Supervisory Control and Data Acquisition ("SCADA") monitoring and control at key sites in several remote service areas, specifically, the El Nido, North Side Canal, Lower Howard, McCoy Lateral and the head of the Escaladian Canal. He stated the project is intended to reduce spills from the El Nido Canal system and the North Side Canal and provide better water management on the Lower Howard and McCoy Laterals and the Escaladian Canal headworks, key delivery locations for MID downstream commitments. He stated the total cost of the project is estimated at \$600,000. He stated the USBR grant will cover up to \$300,000, or 50% of the project cost, whichever is less.

Mr. Kelly stated the deadline for the grant submittal is May 4, 2010. He stated there are no guarantees MID will be awarded the grant as a result of the submission of this competitive grant application. However, he stated the adoption of the resolution is a suggested requirement as part of the grant application scoring process. He stated the proposed projects under this grant application would improve the District's ability to control and monitor outlying facilities in "real time". Mr. Kelly stated staff recommends the Board adopt Resolution No. 2010-10 approving a USBR grant application for the Remote Service Area Water Management Project. On motion of Director Long, seconded by Director Pedretti, the Board adopted Resolution No. 2010-10 by the following vote:

Ayes:	Directors:	Hultgren, Long, Pedretti
Noes:	Directors:	None
Abstain:	Directors:	None
Absent:	Directors:	Hunter, Pellissier

Resolution No. 2010-10 reads as follows:

MERCED IRRIGATION DISTRICT

RESOLUTION NO. 2010-10

REMOTE SERVICE AREA WATER MANAGEMENT PROJECT

WHEREAS, reliability of water supply is essential to all water users within the Merced Irrigation District and the Merced area groundwater basin at large; and

WHEREAS, Merced Irrigation District is the only public agency that relies on the Merced River to meet its constituents' water demands and needs; and

WHEREAS, the Merced Irrigation District has a progressive history in conserving water, increasing system efficiency, and optimizing its conjunctive use practices; and

WHEREAS, the Merced Irrigation District is continuing its existing commitment to increase the reliability and best use of water by adding to a series of completed projects under a bond followed by the Merced Irrigation District Surface/Groundwater Optimization Program ("SUGWOP") which began in 1993; and

WHEREAS, the Merced Irrigation District efforts include the upgrading, automation and control of operational discharges; and

WHEREAS, the Merced Irrigation District Board of Directors recognizes the multi-benefits of the proposed project, including reducing operational discharges, improving water quality, and providing better water management; and

WHEREAS, the Merced Irrigation District Board of Directors supports such projects for local and statewide resource benefits; and

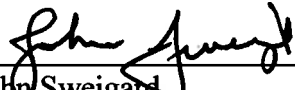
WHEREAS, the Merced Irrigation District Board of Directors requests the United States Bureau of Reclamation ("USBR") to support this project for its overall perpetual benefit to water and the economy of Merced County at large, which is mainly dependant on water supply for an agricultural based economy.

THEREFORE, BE IT RESOLVED by the Board of Directors of Merced Irrigation District that pursuant and subject to all of the terms and provisions of the WaterSMART Water and Energy Efficiency 2010 Grant Program and amendments hereto, application by this Merced Irrigation District be made to the USBR to obtain a grant to fund a water conservation project.

BE IT FURTHER RESOLVED THAT, the Merced Irrigation District, will contribute, upon execution of a grant agreement, the balance of the total cost of the project, which said contribution is estimated to be \$300,000, which will be contributed in addition to a \$300,000 maximum grant funding from USBR to complete the project, thereby bringing Merced Irrigation District's contribution to 50% of the total project cost.


BE IT FURTHER RESOLVED THAT, the General Manager, of the Merced Irrigation District, or his designee, is hereby authorized and directed to prepare the necessary data, make investigations, sign, and file such application with the USBR.

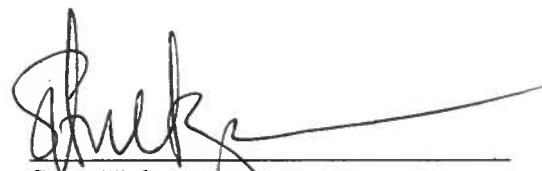
Authorized
Signature
Printed Name
Title


John Sweigard
General Manager

PASSED AND ADOPTED this 20th day of April 2010, by the Board of Directors of the Merced Irrigation District, by the following vote:

Ayes: Directors: Hultgren, Long, Pedretti
Noes: Directors: None
Abstain: Directors: None
Absent: Directors: Hunter, Pellissier


William E. Hunter
President
Merced Irrigation District


Suzy Hultgren
Vice President/Secretary
Merced Irrigation District

REPORT ITEMS

Deputy General Manager Eltal reviewed the Water Statistics Report. He reported that as of April 18, 2010, Lake McClure elevation is 795.10 feet compared to 754.53 feet in 2009; storage is 602,834 acre feet (AF) versus 432,432 AF in 2009; and inflow was 2,440 cubic feet per second (CFS) compared to 1,977 CFS in 2009. He reported precipitation is 11.96 inches or 107% of the 11.16 inch average at this time of the year. He stated at this time last year precipitation was 6.48 inches or 58% of average. He stated that April inflow is only 43% of average, but that storage is 99% of average.

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

Station	Elev. (ft.)	4/18/2009	4/18/2010	Apr. 1 Avg.	% Apr. 1st
Gin Flat	7050	20.6 (31.9)	33.68 (75.9)	34.2	98%
Tenaya Lk	8150	25.94 (NA)	34.02 (NA)	33.1	103%
Ostrander	8200	27.45 (69.9)	34.46 (91.9)	34.8	99%

Note: Snow depth shown in parenthesis

Mr. Eltal reviewed the California Department of Water Resources ("DWR") Bulletin 120 February 1 through April 13 forecasts update showing the most recent 50% exceedence forecasted April through July 2010 runoff at 750,000 AF and 90% exceedence at 670,000 AF, which is nearly 100,000 AF above the prior forecast. He reported the following assumptions under the 90% exceedence scenario: inflow at 670,000 AF, irrigation season from March 15 through October 31, no MID and El Nido area water curtailment, sphere of influence ("SOI") irrigation deliveries until July 15, pumping at 13,000 AF, the previously approved FERC studies at 15,000 AF, Vernalis Adaptive Management Plan ("VAMP") releases at 21,840 AF and October San Joaquin River Agreement releases at 12,500 AF resulting in end of October storage at 668,900 AF.

Mr. Eltal noted that the delay in snowmelt may produce a longer SOI season, extending into the third week of July.

Mr. Eltal reviewed a Lake McClure storage forecast chart with end-of-month storage from September 30, 2009 through October 31, 2010. In addition to lake storage, the chart showed the 670,000 AF and 750,000 AF April through July runoff scenarios, rain flood and conditional space storage reserve, minimum pool, 43-year average storage and the top of the old dam.

Mr. Eltal reported that staff continues to work with other agencies to establish an Integrated Regional Water Management Plan ("IRWMP"). He stated an IRWMP is necessary to receive state grant funding. He noted another group, the Central California ("CenCal") IRWMP from Madera and Mariposa included Merced County in its regional plan. He stated that Merced is attempting to demonstrate to the state why it should have an IRWMP independent from the CenCal plan due to differences in regional conditions and water management. He stated that staff has conveyed to the state the understanding that there may be some overlap between neighboring IRWMPs and has indicated willingness to enter into memorandums of understanding with neighboring IRWMPs, while maintaining its independent IRWMP.

Mr. Eltal stated staff held an IRWMP open house recently that was attended by representatives from various stakeholder agencies. He stated a water management group will be formed from the region's stakeholders. He stated that the state has issued conditional approval, but has not designated our proposed region yet. Mr. Eltal stated that DWR will be setting a date for a meeting between Merced IRWMP group and CenCal IRWMP Group to make a decision regarding the final regions. Mr. Eltal stated presentations will be made to City and County elected officials to generate their involvement, since elected officials from Mariposa tend to attend CenCal meetings with DWR.

Mr. Robbins stated it is critical that the IRWMPs discussed remain separate. He stated that the IRWMP will ultimately be the basis for state regulation of water. He stated it will integrate urban, agriculture, ground and surface water, etcetera. He stated Madera County is federal water and critically overdrafted groundwater. He stated Merced and Stanislaus counties are locally owned with water rights and well working conjunctive use systems. He stated it would be disastrous to combine these two systems with their completely different sets of issues.

Mr. Rabone reported that progress continues on FERC relicensing studies. He stated plans are to hold a study meeting and first study report at the end of the summer. He reported that VAMP flows begin tomorrow with a flow target volume of 21,848 AF. He stated flows will run through May 23. Mr. Rabone reported that he and Hydroelectric Project Manager Randy Anthony will be attending the National Hydroelectric Association annual conference next week in Washington, DC. He also reported that the Parks Department held its spring McSwain Fishing Derby last weekend.

CLOSED SESSION

At 9:50 A.M. Vice President Hultgren 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 are two items for closed session. He stated the first item, containing four subsets, is to conference with legal counsel regarding anticipated litigation. He stated authority for this action is under Government Code Section 54956.

Mr. Robbins stated the second item is regarding a public employee performance evaluation - Title: General Manager. He stated authority for this action is under Government Code Section 54957.

At 10:04 A.M. Vice President Hultgren convened the closed session with Directors Long and Pedretti present.

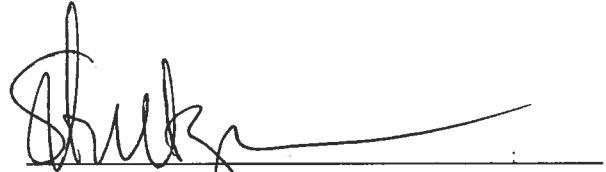
At 10:40 A.M. Director Pellissier arrived.


At 11:20 A.M. Vice President Hultgren reconvened the meeting into regular session with all Board members present.

At 11:21 A.M. on motion of Director Long, second by Director Pedretti, the Board adjourned the meeting by the following vote:

Ayes:	Directors:	Hultgren, Long, Pedretti, Pellissier
Noes:	Directors:	None
Abstain:	Directors:	None
Absent:	Directors:	Hunter

The next regularly scheduled Board of Directors meeting is Tuesday, May 4, 2010, at 9:00 A.M.


Suzy Hultgren, Vice President/Secretary

APPROVED:

William E. Hunter, President