

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
REGULAR MEETING
August 17, 2010

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 9:02 A.M. in the City Council Chambers.

PLEDGE OF ALLEGIANCE

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 - Division 4</i>
	Wil Hunter <i>President - Division 5</i>

The following were also present:

General Manager	John Sweigard
Deputy General Manager, Water Resources	Hicham Eltal
Deputy General Manager, Energy Resources	Bernard A. Cevera
Director of Finance	Ken Lee
Controller	Kandi Ramos
General Counsel	Kenneth M. Robbins

President Hunter welcomed General Manager Sweigard back, who is recovering from a recent injury.

President Hunter introduced the District's newly appointed Director of Administrative Services, Jennifer Carter. He stated Ms. Carter has 20 years experience in Human Resources and Risk Management along with an extensive background in liability and investigation.

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

None

CONSENT CALENDAR

President Hunter presented Board meeting minutes of August 3, 2010; Payment of Bills for August 17, 2010; and Out-of-State Travel Request 2010-4. On motion of Vice President Hultgren, seconded by Director Long, the Board unanimously approved the consent calendar items.

COMMENTS BY BOARD SECRETARY/MEMBERS

None

ACTION ITEMS

None

REPORT ITEMS

Deputy General Manager, Energy Resources Cevera reported on the status of the Energy Resources and Hydroelectric Departments for July 2010. He reported there were 21 maintenance tags, peak demand was 84.7 MW, there were four commercial and three residential new meters set, total meters in the field were 7,654 and there was one outage affecting four residences for about five hours. He stated the outage was due to corrosion. He reported meter disconnections/reconnections were 45 and 32 respectively. He reported on the meter inspection program, routine disconnections, and distribution and substation maintenance projects.

Mr. Cevera reviewed a Western Grid Loads Year-on-Year Comparison January 2009 through July 2010. He reviewed system demand and noted demand is down, which is reflective of the current economy. He stated District demand is down 1.4% year-to-date. He stated preliminary numbers indicate revenue is down 1.8% to budget, but noted power costs are down 5.2%. He reviewed a 2011-2013 Natural Gas Daily Forward Prices, 10/09 to Present chart and a Natural Gas Expectations Versus the Forward Curve chart. He reviewed PIRA's Gas Price Fundamental Analysis and noted it is important to follow natural gas prices as they impact the economy. He reviewed NP15 Index prices.

Mr. Cevera highlighted Hydroelectric Department events, projects and maintenance. He reported on Exchequer/McSwain Daily Generation for July and stated total generation for July was 56,227 MWh.

Mr. Cevera reported on the opposition effort to Senate Bill 722, which requires 33% renewable portfolio standards throughout the state by 2020.

President Hunter inquired if the power pole relocation at the Lake McClure Houseboat Repair Yard is complete. Mr. Cevera stated it is. President Hunter requested staff prepare to report on other electric service upgrades at the Parks at a future Board meeting.

Deputy General Manager, Water Resources Eltal reviewed the Water Statistics Report and reported as of August 15, 2010, Lake McClure storage was 834,199 acre feet ("AF"), which is 145% of the 576,300 AF average. He stated 2009 storage at this time was 535,381 AF. He stated inflow was 236 cubic feet per second ("CFS") compared to 84 CFS in 2009. He stated there has been no precipitation since July 1, 2010. He reported August inflow is currently at 6,600 AF or 50% of the 13,200 AF average.

Mr. Eltal reviewed the Merced River Development Project Monthly Operations Forecast through October 31, 2010. He reported there would be no flood control releases, reviewed FERC and SJRA releases, noted very low groundwater pumping at 5,300 AF, and end of season storage at 659,600 AF.

Mr. Eltal stated weather reports forecast above average temperatures and below average precipitation through October. He reported La Niña conditions are forecasted to continue into spring 2011 and described how La Niña conditions affect the District.

Mr. Eltal reported the District recently hosted about 21 guests from Armenia working in the fields of agriculture, irrigation, fish farming and resource management that were interested in MID's system.

CLOSED SESSION

At 9:29 A.M. President Hunter called for closed session.

General Counsel Robbins stated the closed session was agendaized 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, containing two 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 9:50 A.M. President Hunter convened the closed session with all Board members present.

At 11:00 A.M. President Hunter reconvened the meeting into regular session with all Board members present.

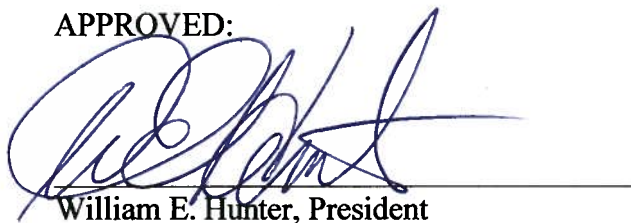
At 11:01 A.M. the meeting was adjourned.

The next regularly scheduled Board of Directors meeting is Tuesday, September 7, 2010, at 9:00 A.M.



Suzy Hultgren, Vice President/Secretary

APPROVED:



William E. Hunter, President