

MERCED IRRIGATION DISTRICT**APPROVED MINUTES****BOARD MEETING****April 2, 2013**

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 10:00 A.M. in the City Council Chambers.

PLEDGE OF ALLEGIANCE

Roll call showed the following Board members present:

Directors:

Tim Pellissier	<i>President - Division 1</i>
Scott Koehn	<i>Division 2</i>
Dave Long	<i>Vice President-Division 3</i>
Kevin Gonzalves	<i>Division 4</i>
Billy Pimentel	<i>Division 5</i>

The following MID Employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Water Supply/Rights	Hicham Eltal
Deputy General Manager, Water Resources	Bryan Kelly
Deputy General Manager, Energy Resources	Don Ouchley
Director of Finance	Brian Stubbart
Director of Administrative Services	Jennifer Carter
Director of Parks and Recreation	James Mills
Administration Coordinator	Ann-Marie Felsing

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

Mr. Bob Weimer expressed his appreciation for the letter regarding limited water supplies, status of the new supplemental groundwater supply program and notice of continued opportunity to purchase supplemental water that MID mailed out to growers. Mr. Weimer indicated that the pro-activeness that MID staff has exhibited with water supplies and the information given to growers this year has been excellent.

CONSENT CALENDAR

1. Boart Meeting Minutes	March 18, 2013
2. Special Board Meeting Minutes	March 25, 2013
3. Cash Transaction Report	February 2013
4. Treasurers Report	February 2013

On a motion by Director Long, seconded by Director Pimentel, the Board unanimously approved the consent calendar items.

ACTION/DISCUSSION ITEMS

Director of Finance Stubbart reviewed information regarding the District's opportunity to re-finance its 2003 Electric Services Certificates of Participation ("COP") funding, which would lower the District's annual bond payments and achieve an annual cash savings over the existing bond payment schedule. Mr. Stubbart explained that the outstanding principal to be refunded is \$12,920,000. Mr. Stubbart explained that the next step in the process, should the Board wish to consider the refunding, is

to complete an analysis to determine if it is in the best interest of the District to refund the 2003 Electric Services COP by looking at the average Annual Cash Savings, and the Net Present Value ("NPV") savings in both dollars and percent savings. The targeted NPV savings in the industry is three percent (3%) and the potential NPV savings based off of current interest rates could be as high as eleven percent (11%). After discussion and after staff answered several questions from the Board, the Board gave unanimous direction to Mr. Stubbart to proceed with the analysis and to obtain more information regarding the refunding opportunity.

REPORT ITEMS

Deputy General Manager of Water Resources Bryan Kelly presented the Board with an update of the District's available surface water supply and the Supplemental Water Supply Pool Program. Mr. Kelly explained that the latest DWR Bulletin 120 forecast for inflows between March and July, dated March 26, 2013, estimated an inflow of 200,000 AF. Mr. Kelly explained how the DWR Bulletin 120 updates have shown a continuous decline in the estimated inflow, beginning with an estimate of 370,000 AF from the February 1st forecast.

Mr. Kelly discussed the originally estimated carryover storage target of 244,000 AF, as discussed at the March 5, 2013 Board meeting, which was based on the 2013 surface water allocation, estimated Supplemental Water Supply Pool Program subscriptions of 64,000 AF and an inflow of 244,000 AF. The current estimated carryover storage target, based on the current inflow estimate of 200,000 AF and current Supplemental Program ("Program") subscriptions of 30,000 AF, is 156,000 AF. Mr. Kelly cautioned that the current carryover estimates are based on preliminary data and that the April and May DWR inflow forecasts may continue to decline, which will have a direct impact on this estimate. He stated that staff is closely tracking inflows, diversions, commitments, deliveries, operational discharges and pumping volumes and will continue to refine and inform the Board regarding estimated reservoir carryover estimates.

Mr. Kelly reiterated that the District currently has approximately 30,000 AF of Program subscriptions and that subscriptions will continue to be taken until May 1, or until subscriptions total the 64,000 AF limit established by the Board.

Mr. Kelly reviewed the water operations report and stated that for the month of March; 11,719 AF of water was posted, 1,271 orders were taken, of which 74% came from customer service, 11% online and 10% IVR.

Deputy General Manager of Energy Resources Don Ouchley reviewed the Energy Resources Report for February 2013. Mr. Ouchley reported that the Megawatt-hour ("MWh") usage was 31,813 MWh and 66,153 MWh year-to-date, with the system peaking at 59.391 Megawatts, and 1 system outage. There was a decrease of 13 Electric Services customers bringing the total number of customers to 7,917. Mr. Ouchley reviewed the Henry Hub Gas Projection, ICE NP15 Index Energy Prices and maintenance tags that were completed in the previous period.

DIRECTOR REPORT

None

CLOSED SESSION

At 10:30 A.M., President Pellissier announced that the Board would adjourn to closed session. General Counsel McMurray reported that the Board would meet with counsel to discuss two (2) matters of existing litigation as described on the agenda pursuant to Government Code §54956.9(d)(l), as well as to confer with the District labor negotiators pursuant to Government Code §54956.6. There was no public comment on any item listed on the closed session agenda.

At 10:35 A.M., President Pellissier convened the closed session with all Board members present. At 11:10 A.M., the Board returned to open session. Mr. McMurray reported that the Board met with counsel regarding two (2) matters of existing litigation as described, and further met with the District's labor negotiators. The Board received information and provided direction, but no action was taken in closed session.

ADJOURNMENT

President Pellissier adjourned the meeting at 11:10 A.M.

The next scheduled Board of Directors meeting is Tuesday, April 16, 2013 at 10:00 A.M.

APPROVED:



Dave Long, Vice President



Tim Pellissier, President