

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
January 21, 2014

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 10:00 A.M. in the Chamber Room at Merced Civic Center.

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>
Kevin Gonzalves	<i>Division 4</i>
Billy Pimentel	<i>Division 5</i>

The following Board member was absent:

Dave Long	<i>Vice President – Division 3</i>
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The following MID Employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Water Resources	Bryan Kelly
Deputy General Manager, Water Rights/Supply	Hicham Eltal
Deputy General Manager, Energy Resources	Don Ouchley
Director of Finance	Brian Stubbert
Director of Administrative Services	Jennifer Carter
Director of Parks and Recreation	James Mills
Controller	Kandi Ramos
Customer Service Supervisor	Cheryl Miller
Public and Government Relations Officer	Mike Jensen
Associate Engineer	Marco Bell
Customer Programs Manager	Vanessa Lara
Business Development Manager	Christopher Cuttone
Information Technology Manager	Jesse Kilgore
Executive Assistant to the General Manager	Crystal Guintini

CORRECTIONS OR ADDITIONS TO THE AGENDA

General Counsel McMurray requested that two additional items be added to the Board's closed session agenda involving 2 matters of existing litigation pursuant to Government Code Section 54956.9(a), specifically the cases involving Gallo Cattle Company vs Merced Irrigation District, *et. al.*; Merced Superior Court Case Numbers CV001051 and CV003031. On a motion by Director Koehn to accept the agenda as amended, seconded by Director Pimentel; the Board unanimously approved the motion.

PUBLIC COMMENT

Mr. Anthony Roggero addressed the Board regarding a correction he would like made to the Board's approved minutes from September 3, 2013. Mr. Roggero provided a letter to the Board regarding clarification of the minutes.

Mr. Joe Scoto addressed the Board regarding the current homeless situation along MID canals and creeks. Mr. Scoto provided a photo from Fahrens Creek at Santa Fe Drive showing a large amount of garbage and debris placed there by the homeless, which causes great concern to local farmers due to safety and health concerns.

CONSENT CALENDAR

None

ACTION/DISCUSSION ITEMS

Deputy General Manager Water Operations Kelly addressed Mr. Scoto's concerns regarding the homeless on the creeks. Mr. Kelly stated the situation has been brought to his attention and staff is currently working with the City and County of Merced to resolve the issue, however Mr. Kelly indicated that MID does not have authority to force the homeless out, that responsibility lies with the City/County.

Mr. Kelly presented the Board with a Water Resources Report, and informed the Board that the same presentation was recently presented to the MIDAC for their thoughts and input prior to Board review. Mr. Kelly stated the information provided is preliminary, summarizing the 2014 available surface water supply and draft implementation plan. Mr. Kelly reviewed details of the District's preliminary water projections including assumptions of watershed snowpack and river flows based on information from the California Department of Water Resources, downstream water requirements, state and federal regulations, and potential supplemental conjunctive groundwater pumping. The Board, staff and the public discussed different water supply outlook scenarios, including what will likely be a shortened irrigation season. Mr. Kelly reviewed information regarding, and responded to Board and public questions relating to, the District's drought management outreach plan and schedule.

General Manager Sweigard stated staff has been working aggressively with state agencies in hopes of obtaining relaxation of regulations to help mitigate the severe impacts of the ongoing drought. Mr. Sweigard stated the goal from the efforts is to receive as much flexibility as possible this year in managing the limited amount of water resources left, and to provide as much water to the District's customers as possible.

Members of the public inquired about the Governor's drought declaration and what it means to the District. Mr. Kelly stated that the proclamation likely does not directly affect the District, since the District is still required to operate the reservoir as outlined in the FERC license. Mr. Kelly indicated however that the proclamation could be very helpful in staff's efforts to obtain temporary relaxations. President Pellissier stated that this is not the first time the District has been through a drought, and the State and Federal Government did not do anything to help before.

Mr. Morimoto stated with the current situation and concerns for lack of water and the major impact on the local economy the Board room should be filled with people. Mr. Morimoto stated the Board should start exploring the option of a Proposition 218 to increase water rates, and help keep more water in the District.

REPORT ITEMS

None

DIRECTOR REPORT

None

CLOSED SESSIONS

At 11:20am, President Pellissier announced that the Board would adjourn to closed session. General Counsel McMurray reported that the Board would meet with counsel to discuss 1 matter of anticipated litigation involving the District's relicensing of its Merced River Hydroelectric Project pursuant to Government Code section 54956.9(b), as well as to discuss two (2) matters of existing litigation involving the matters of Gallo Cattle Company v. MID, et al., Merced Superior Court Case Numbers CV001051 and CV003031, as described on the amended agenda pursuant to Government Code section 54956(a). There was no public comment on any item listed on the closed session agenda.

At 11:25am, President Pellissier convened the closed session with Board members Pellissier, Koehn, Gonzalves and Pimentel present. At 12:25pm, the Board returned to open session. General Counsel McMurray reported that the Board took action in closed session authorizing an offer of settlement in the matter of Gallo Cattle Company v. MID, and that the terms of the settlement offer would be made public if and when a settlement was reached. The vote on the action was as follows:

Ayes: Koehn, Pellissier, Pimentel, Gonzalves
Noes: None

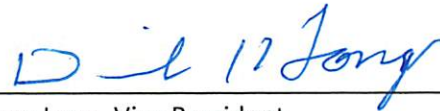
Abstain: None
Absent: Long

Mr. McMurray also reported that the Board received information and advice from Counsel on the other items listed on the amended closed session agenda and provided staff with direction, but took no action in closed session.

ADJOURNMENT

President Pellissier adjourned the meeting at 3:12

The next meeting of the Board of Directors is tentatively scheduled for Tuesday, February 4, 2014 at 10:00am.



Dave Long, Vice President

APPROVED:



Tim Pellissier, President