

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
April 15, 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>
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 Resources	Bryan Kelly
Deputy General Manager, Water Rights/Supply	Hicham Eltal
Deputy General Manager, Energy Resources	Don Ouchley
Director of Administrative Services	Jennifer Carter
Controller	Kandi Ramos
Public and Government Relations Officer	Mike Jensen
Water Operations Manager	John Wiersma
Information Technology Specialist	Michael Howells
Executive Assistant to General Manager	Crystal Guintini

CORRECTIONS OR ADDITIONS TO THE AGENDA

General Counsel McMurray stated a presentation will be made by CH2M Hill to present the progress of the Water Resources Management Plan during the Water Resources Report. In addition, Mr. McMurray stated Action Item 2, Efforts for Emergency Drought Relief, has been an ongoing challenge; staff is requesting the Board to allow for flexibility in the matter.

PUBLIC COMMENT

Mr. Sohan Sahota addressed the Board of Directors regarding a refund for storm drainage fees and standby fees to his existing account.

CONSENT CALENDAR

- | | |
|----------------------------|----------------|
| 1. Board Minutes | March 18, 2014 |
| 2. Cash Transaction Report | February 2014 |
| 3. Treasurers Report | February 2014 |
| 4. Lease Agreements (2) | |

On a motion by Vice President Long seconded by Director Pimentel; the Board unanimously accepted the Consent Calendar.

ACTION/DISCUSSION ITEMS

Director of Administrative Services Carter requested the Board of Directors to review and consider adoption of Resolution No. 2014-14 approving of wage schedule as previously negotiated between the Merced Irrigation District and International Brotherhood of Electrical Workers ("IBEW"), Local Union 1245. The California Public Employees Retirement System ("CalPERS"), requires the Board of Directors to adopt all wage/salary schedules, when they are updated, this action keeps MID In

compliance with CalPERS rules. On a motion by Director Pimentel to adopt Resolution No. 2014-14, seconded by Vice President Long; the Board unanimously approves the motion.

Deputy General Manager Water Rights/Supply Eltal requested the Board of Directors to review and consider adoption of Resolution No. 2014-15 approval of proposed Merced Irrigation District water management actions consisting of temporary urgency relief from minimum flow requirements in the Merced River and minimum storage requirements in Lake McClure, including the sale of up to 5,000 AF Merced River spring pulse flow water to San Luis Water District and Santa Clara Valley Water District. Resolution No. 2014-16 approving the Board to rescind Resolution No. 2014-11 regarding previously adopted Notice of Exemption for Petition for Temporary Urgency Change and Resolution No. 2014-17 adopting a Notice of Exemption for the proposed actions. Vice President Long stated this agreement is a win/win for all parties involved in addition to helping the deficit in the budget.

Mr. Joe Scotto, MIDAC Co-Chair, addressed the Board of Directors on behalf of the MIDAC. Mr. Scotto stated at the last meeting the group discussed an unanimously agreed to accept option 2a as primary and option 2b as a secondary option.

On a motion by Vice President Long moved to accept Resolution No. 2014-15, 2014-16 and 2014-17 with the addition not to be restricted to the mechanics of the transfer; second by Director Koehn; the Board approved the motion. The vote was as followed:

Ayes:	Directors:	Koehn, Long, Pellissier, Pimentel
Noes:	Directors:	Gonzalves
Abstain:	Directors:	None
Absent:	Directors:	None

Director of Finance Stubbert requested the Board of Directors to review and consider the re-funding of Merced Irrigation District's 2008A and 2008B Certificate of Participation. Refinancing the COP's in current market conditions could produce an annual savings of approximately \$302,000 or \$4.6 million on a net present value basis over the remaining life of the debt. After further discussion with the Board of Directors and members of the public Director Koehn made a motion to move forward with the re-funding the 2008A and 2008B COP's, seconded by Vice President Long; the Board approved the motion. The vote was as followed:

Ayes:	Directors:	Koehn, Long, Pellissier, Pimentel
Noes:	Directors:	Gonzalves
Abstain:	Directors:	None
Absent:	Directors:	None

Director of Finance Stubbert requested the Board of Directors to review and consider authorizing staff to proceed with negotiating a short term financing with Wells Fargo in order to generate \$25 million in short term financing. A Request for Proposals ("RFP") was sent out in February, the District received three good proposals. The Finance/Administration Committee meet on Monday, April 7, 2014 to discuss the short-term credit financing, the Committee considered and recommended the Board authorize staff to process with negotiating short term financing with Wells Fargo in order to generate \$25 million in short term financing. After further discussion Vice President Long made a motion to authorize staff to move forward with negotiation with Wells Fargo for short term financing; seconded by Director Gonzalves; the Board unanimously approved the motion.

Deputy General Manager Energy Resources Ouchley requested the Board of Directors to review and consider adoption of Resolution No. 2014-18 a change in solar rebate in District's Solar Photovoltaic Program. Reduce amount of rebate to reach all customers that are requesting to participate in the program. It is staff's recommendation to approve Resolution No. 2014-18 amending the previously approved Solar Photovoltaic Program rebate rate from \$2.80/AC watt to \$1.50/AC watt for 2014. On a motion by Director Koehn to accept Resolution No. 2014-18, seconded by Director Pimentel; the Board unanimously approved the motion.

Public and Government Relations Officer Jensen requested the Board of Directors to review and consider adoption of Resolution No. 2014-19 in support of Merced Irrigation District's New Exchequer Dam Spillway Modification and Increased Water Storage Project. Mr. Jensen provided a brief updated on the progress of the modification. On a motion by Vice President Long, seconded by Director Pimentel; the Board unanimously approved the motion to adopt Resolution No. 2014-19.

REPORT ITEMS

Deputy General Manager Water Resources Kelly introduced Mr. Greg Eldridge, CH2MHill Consultant, who provided an update on Phase 1 of the Water Resources Management Plan and provide direction and plans for Phase 2.

Deputy General Manager Energy Resources Ouchley reviewed the Energy Resources Report for February 2014. Mr. Ouchley reported that the system megawatt-hour ("MWh") usage was 31,716 MWh, with the system peaking at 63.2 Megawatts. Electric Services received 11 new customers during the month of February, increasing the total number of customers to 8,037. Mr. Ouchley stated the Henry Hub Gas and ICE NP15 Index Energy Prices have increased over the month of February due to the storms on the East Coast; prices will continue to rise through the winter months.

DIRECTOR REPORT

None

ADJOURNMENT

President Pellissier adjourned the meeting at 10:58 A.M.

The next scheduled Board of Directors meeting is Friday, April 18, 2014 at 10:00am.



Dave Long, Vice President

APPROVED:



Tim Pellissier, President