

## MERCED IRRIGATION DISTRICT

### JOINT MEETING OF THE BOARD OF DIRECTORS AND MERCED IRRIGATION DISTRICT ADVISORY COMMITTEE

#### UNAPPROVED MINUTES

February 20, 2018

The Board of Directors of the Merced Irrigation District and the Merced Irrigation District Advisory Committee jointly met on the above date, pursuant to notice, at 10:00 A.M. at the Merced City Civic Center.

#### PLEDGE OF ALLEGIANCE

Roll call showed the following Board members present:

Directors:

<b>Jeff Marchini</b>	<i>Vice President - Division 1</i>
<b>VACANT</b>	<i>Division 2</i>
<b>Dave Long</b>	<i>President – Division 3</i>
<b>Suzy Hultgren</b>	<i>Division 4</i>
<b>Robert Weimer</b>	<i>Division 5</i>

Roll call showed the following MIDAC Members were also present:

Joe Scoto  
Tom Roduner  
Gary Lorenzo  
Marvin Nunes  
Fred Sherman  
Bob Salles  
Craig Arnold  
Rodrigo Espinoza  
Brianna Ramos  
Dan DeWees

The following MID employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Energy Resources	Don Ouchley
Deputy General Manager, Water Resources	Bryan Kelly
Chief Financial Officer	Dipak Bhakta
Director of Administrative Services	Victor Moreno
Public & Government Relations Manager	Mike Jensen
Director of Parks and Recreation	Bret Theodozio
Business Development/Project Manager	Chris Cuttone
Financial Analyst	Rigoberto Guzman
Water Resources Engineer	Marco Bell
Customer Service Supervisor	Cheryl Miller
Network Engineer	Joseph Chance
Executive Assistant to General Manager	Dominique Zuniga

#### CORRECTIONS AND/OR ADDITIONS TO AGENDA

President Long requested the Board add a closed session item to the beginning of the Boards agenda to discuss a matter of existing litigation between Kevin Gonzalves and the District. Mr. McMurray indicated that item is needed because the issue arose after the agenda was posted. Also, General Counsel McMurray indicated that staff would like to update and clarify its recommendation to the Board with regard to the Government Tort Claims claim filed by Kevin Gonzalves in the amount of

\$204,986.82. Mr. McMurray indicated that after receiving the claim and performing additional research, staff recommends the Board deny the claim in its entirety on its merits, rather than deny a portion of the claim as untimely and deny a portion of the claim on its merits. Mr. McMurray indicated that staff still recommends the Board refer the matter to General Counsel and outside counsel for further proceedings. On a motion by Director Weimer, seconded by Vice President Marchini the Board approved the agenda as amended. The vote was as follows:

Ayes:	Hultgren, Long, Marchini, Weimer
Noes:	None
Abstain:	None
Absent:	None

### **CLOSED SESSION**

At 10:05am, President Long announced that the Board would adjourn to closed session. General Counsel McMurray reported that the Board would adjourn to closed session to conference with counsel regarding one (1) matter of existing litigation pursuant to Government Code Section 54956.9(a). The matter of existing litigation was identified as *Kevin Gonzalves v. Merced Irrigation District and Merced Irrigation District Board of Directors*, Merced County Court Case No. 17CV – 03333. There was no public comment on any item listed on the closed session agenda.

At 10:08am, President Long convened the closed session with Board members Hultgren, Long, Marchini and Weimer present. At 10:10am, the Board returned to open session. General Counsel McMurray reported that the Board met with counsel in closed session and received information, but that the Board took no action in closed session.

### **PUBLIC COMMENT**

None

### **CONSENT CALENDAR**

1. Unapproved Minutes – February 6, 2018
2. Claim Filed by James and Janae Rhoden in an amount greater than \$10,000
3. Claim Filed by Kevin Gonzalves in the amount of \$204,986.82

Director Weimer made a motion to approve the Consent Calendar, with the modification indicated to item number 3 requested by Mr. McMurray, that the claim filed by Mr. Gonzalves be denied in its entirety, seconded by Vice President Marchini; the Board unanimously approved the Consent Calendar. The vote was as follows:

Ayes:	Hultgren, Long, Marchini, Weimer
Noes:	None
Abstain:	None
Absent:	None

### **ACTION ITEMS**

Chief Financial Officer Dipak Bhakta requested the Board review and consider adopting Resolution No. 2018-08 updating signing authority over all District banking accounts. Mr. Bhakta discussed the several banking accounts which revenue and reserves are deposited, and from which expenditures are withdrawn. From time to time due to changes in District personnel, it is appropriate and necessary to revise and update authorized signatures on its bank accounts. The resolution updates authorized signatories consistent with current District transactional practices. Director Weimer made a motion to approve Resolution No. 2018-08 as presented, seconded by Director Hultgren; the Board unanimously approved the motion. The vote was as follows:

Ayes:	Hultgren, Long, Marchini, Weimer
Noes:	None
Abstain:	None
Absent:	None

General Manager Sweigard addressed the Board regarding the Water Resources, Hydroelectric and Parks and Recreation budget providing a current 90% exceedance graph for New Exchequer storage, reminding all of the dry winter thus far. Under the 50% scenario, the District would finish the irrigation season with approximately 150,000 AF of storage in New Exchequer, and the District would be at the reservoir minimum pool under the 90% exceedance.

Mr. Sweigard discussed the need to bifurcate the budget process and approve the Water Resources, Hydroelectric and Parks Department portion of the budget first, due to the current hydrology and weather situation. The Board would consider approval of the Energy Resources, Drainage Improvement District #1 Budget and adopt the non-bargaining unit wage schedule, employee paid member contribution (EPMC) to CalPERS and the Roster by Classification at a March 2018 meeting.

At the February 6, 2018 MID Board Meeting, staff received direction from the Board to look at two scenarios, for a \$40/AF in District water rate and \$100/AF in basin water transfer price, and additionally a \$50/AF in District water rate and \$125/AF in basin water transfer price. Staff and the board discussed the differences between the 2 scenarios and impacts to revenue and reserves, water demand, etc. Staff, members of the public and the Board had a very in-depth discussion regarding surface water rates and water transfer rates for the upcoming fiscal year. Mr. Sweigard reiterated the importance of growers purchasing surface water due to the unknown availability of groundwater in the coming years.

The Board discussed potential out-of-basin water transfer agreements and the potential to risks and benefits to the District in numerous ways. Benefits include supporting the Districts Capital Budgets and water rights defenses. Additionally, the Board discussed the endorsed Balanced Approach of the Water Resources Management Plan which include a long term revenue of water transfers to support the District's annual budgets, generally in the \$3.5M range.

After a very in-depth discussion, Vice President Marchini made a motion to approve the FY 2019 Budget for Water Resources Department, Hydroelectric and Parks Department as presented, and establish a \$40/AF in District water rate and \$100/AF in basin water transfer rate, seconded by Director Weimer; the Board unanimously approved the motion. The vote was as follows:

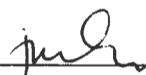
Ayes:	Hultgren, Long, Marchini, Weimer
Noes:	None
Abstain:	None
Absent:	None

#### **REPORT ITEMS**

Deputy General Manager, Water Resources Kelly provided a brief overview of the District's Annual Water Management Implementation Plan (WMIP) and its objectives and general guidelines. Mr. Kelly noted that irrigation season operation details will be mailed out to all growers and be made available on the District's website. The District will begin taking water orders this week for the season and start filling the canals after March 1<sup>st</sup>, 2018.

#### **ADJOURNMENT**

President Long adjourned the Board Meeting at approximately 11:40am.

  
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 Jeff Marchini, Vice President

  
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 Dave Long, President