

**MERCED IRRIGATION DISTRICT ADVISORY COMMITTEE
("MIDAC") MEETING**

March 10, 2021

6:00 PM

**MERCED IRRIGATION DISTRICT
3321 N. Franklin Road
Merced, CA 95348**

**** PURSUANT TO EXECUTIVE ORDERS ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM, THE COMMITTEE WILL MEET AT THE TIME AND DATE REFERENCED ABOVE VIA TELEPHONIC CONFERENCE CALL ONLY AND NOT IN PERSON ****

MEMBERS OF THE PUBLIC WHO WISH TO OBSERVE AND PARTICIPATE IN THE MIDAC COMMITTEE MEETING ARE ENCOURAGED TO REVIEW THE GUIDANCE DOCUMENT ATTACHED TO THIS AGENDA. PLEASE CONTACT MID STAFF WITH ANY QUESTIONS OR IF YOU REQUIRE A REASONABLE ACCOMMODATION TO PARTICIPATE – 209-722-5761.

CALL TO ORDER / FLAG SALUTE

ROLL CALL

PUBLIC COMMENT

AGENDA REVISIONS / CORRECTIONS

CONSENT CALENDAR

1. Unapproved Minutes - October 14, 2020

[Attachment](#)

DISCUSSION ITEMS

1. Officer Elections

[Attachment](#)

2. Water Resources Report

[Attachment](#)

3. DRAFT FY 2022 Budget

[Attachment](#)

FUTURE AGENDA ITEMS / DISCUSSION

ADJOURNMENT

MERCED IRRIGATION DISTRICT ADVISORY COMMITTEE (MIDAC) UNAPPROVED MINUTES

Wednesday, October 14 2020
MID Control Center, Franklin Yard

Call to Order

The meeting was called to order at approximately 6:00 P.M.

Roll Call

The following MIDAC members were present:

Division 1

Bob Giampaoli
Joe Scoto
Arlan Thomas
Derek Benson

Division 2

Gary Lorenzo
Tom Roduner
Paramjit Singh

Division 3

Bob Salles
Fred Sherman

Division 4

Craig Arnold
Rodrigo Espinoza
Galen Miyamoto

Division 5

Brian Carter
Joe Brown
Ezio Sansoni

Public Members

Dan DeWees

The following MID staff and Board Members were present:

Board Member, Division 1
Board Member, Division 2
General Manager
General Counsel
Deputy General Manager Water Rights/Supply
Deputy General Manager Water Operations
Chief Financial Officer
Director of Parks and Recreation
Public & Government Relations Officer

Jeff Marchini
Mario Bandoni
John Sweigard
Phil McMurray
Hicham ElTal
Bryan Kelly
Don Knapp
Brooke Gutierrez
Mike Jensen

Public Comment

None

Agenda Revisions / Corrections

None

Consent Calendar

Mr. Bryan Kelly made a statement that the posted agenda inadvertently included an incorrect and incomplete draft of previous meeting minutes. He stated staff had provided the MIDAC members with a revised, and correct set of minutes as a separate handout at the meeting for review and consideration.

Mr. Bob Salles made a motion to accept the minutes from the previous meeting as presented in the corrected version, seconded by Mr. Galen Miyamoto; the Committee approved the minutes.

Discussion Items

Mr. Bryan Kelly began the discussion with a statement that staff would move through the list of discussion items in a slightly different order than what was indicated on the agenda.

Mr. Kelly provided a presentation and discussion of the MID Water Resources Management Plan (WRMP) and its related financial model. In particular, Mr. Kelly summarized the various events and actions that had taken place in 2020 since the last MIDAC meeting. He reminded the MIDAC members of the Board's direction to move forward with the Balanced Approach of the WRMP, many of the important assumptions that had been made during development, and he summarized the key procedural events leading up to the adoption of the Program Environmental Impact Report (PEIR). Mr. Kelly confirmed that after adoption of the WRMP and the PEIR earlier this year, a Notice of Determination have been filed appropriately and MID had received no challenges to the CEQA document.

Mr. Kelly responded to questions from the MIDAC members relating to the document and environmental coverage for various improvement projects in MID's water conveyance system, and he also indicated there would be additional information on several important projects and upcoming funding decision points later in the meeting.

Mr. Kelly then provided a summary presentation regarding the Board's recent adoption of Resolution No. 2020-10 relating to the Board's decision to move forward with a 10 year water transfer program to local agricultural water users, and Resolution No. 2020-11 relating to the Board's decision to move forward with offering landowners within MID's Class II service area the voluntary/one-time opportunity to purchase Class I water customer status.

Mr. Kelly began with a short review of MID's recent water transfer activity, then summarized the key terms of the 10 year water transfer program to local agricultural water users recently approved. He responded to a number of logistical questions, and confirmed the program could be extended to 15 years. He indicated staff was in the process of finalizing outreach with potential partners and purchasers. Once staff completes the process of organizing potential partners and purchasers and the amount of water they intend to purchase from MID through the program, agreements will be executed with the intent of beginning water deliveries with the 2021 water year. Staff confirmed that given discussions with potential partners and purchaser so far, staff expects to execute agreements for all 40,000 acre-feet per year made available by the Board.

Mr. Kelly then provided a short summary of the process and discussions between staff, consultants, the Board, the MIDAC members and other local stakeholders as part of the WRMP process, which culminated in the Board's decision to move forward with offering landowners within MID's Class II service area the voluntary/one-time opportunity to purchase Class I water customer status. Mr. Kelly summarized the key terms of the opportunity approved by the Board, and confirmed that staff has met with stakeholders to provide details and answer questions over the last month.

Mr. Kelly responded to a number of questions from the MIDAC members, and indicated that although staff does not yet have a firm number of landowners indicating an intent to participate in the purchase opportunity, staff expects to have agreements executed with willing participants before the end of the 2020 calendar year. Mr. Sweigard responded to questions, and clarified the intent of the Board was to offer the opportunity one-time only, with environmental coverage for the decision contained in the WRMP and PEIR.

Mr. McMurray provided the MIDAC members with a presentation and summary information regarding the Application to Appropriate Water MID filed with the State Water Resources Control Board relating to unappropriated water from the Merced River and 11 local creeks and streams. Mr. McMurray summarized the timing of the filing, and the efforts MID and local stakeholders have undertaken to help ensure the Application is accepted by the State Water Board staff for further processing. As of today, the Application has not yet been accepted, but MID staff, consultants and many local stakeholders are continuing to work diligently. Mr. McMurray responded to questions and summarized an agreement between MID and the stakeholders which would allow certain stakeholder agencies to become co-applicants on the Application.

Ms. Gutierrez provided the MIDAC members with a presentation and summary information regarding several improvements that have been made to MID's parks and recreational areas over approximately the last year. She showed several photographs of different projects, and summarized how many of these projects have helped MID improve visitation of the parks in recent years. She responded to questions and also confirmed that there are many projects MID would like to accomplish in the coming years to further improve visitation.

Mr. Knapp provided a presentation, reviewing key aspects of MID's Board approved budget for fiscal year 2021, and a broad financial update. Mr. Knapp stated the Board recently took action to include MID's FERC, Hydroelectric and Parks/Recreation Departments as part of the District's Water Resources Department Cash Reserves policy. Mr. Knapp summarized the impact the action would have on reserves and the new reserves levels, and responded to a number of questions relating to potential impacts on water pricing.

Mr. Knapp indicated with respect to the financial update, there are several critical projects contemplated to improve and ensure the safety and structural integrity of MID's water conveyance system. Mr. Knapp summarized some of those projects in detail, and indicated staff had recently talked with the Board's Finance and Administration Committee, as well as the full Board to receive direction as to how the Board may want to fund the projects.

Mr. Knapp stated the Board's options will continue to be open, but the Board provided staff with general direction to assume that all of the critical projects are actually needed and will be approved for implementation; and given that assumption, it is likely MID will need to obtain bond financing to pay for at least some of the projects. Mr. Knapp confirmed that the Board's direction did not authorize

bonding at this time. Staff responded to several questions from the MIDAC members, and there was a lengthy discussion regarding the various projects discussed and various funding options. The MIDAC members also discussed what the impact to MID in-District water pricing may be given different bond financing scenarios.

Mr. Kelly and Mr. Eltal provided the MIDAC members with a Water Resources report, which had been provided to the Board at its last meeting. Mr. Kelly summarized water deliveries and sales this year so far, to both MID's in-District customers and through out-of-District water transfer sales to local purchasers within the Merced Groundwater Subbasin. Mr. Eltal summarized hydrology and lake levels during 2020 so far, and a high level summary of potential hydrology over the upcoming fall, winter and early spring.

Future Agenda Items / Discussion

Mr. Joe Scoto and a number of other MIDAC members asked Mr. McMurray a series of questions relating to MID bylaws, the California Water Code, and other rules relating to qualification requirements for board members of California irrigation districts. There was a lengthy discussion, and several questions were asked regarding residency requirements. Mr. McMurray confirmed MID does not have bylaws, and stated almost all of the provisions that would typically be contained in bylaws are set forth in California law and the Water Code. He also confirmed the Board has adopted a long series of policies intended to govern internal District matters within its control, and to provide clear rules and regulations for both its water and energy customers. Mr. McMurray indicated he did not know offhand the specific Water Code section that contains qualification/residency requirements for irrigation district board members, but stated he believed it was Water Code section 21100 and further stated he would call Mr. Scoto the following day to confirm the correct citation.

There was also short discussion that the MIDAC members prefer to have additional and more regular meetings moving forward. Staff responded that the ongoing COVID-19 pandemic had limited the ability to have group meetings since March and even through today. Staff agreed to try and schedule more regular meetings, as circumstances warrant and rules relating to COVID-19 allows.

Adjournment

The MIDAC meeting was adjourned at approximately 8:00 P.M.



BACKGROUND REPORT

Meeting Date: March 10, 2021

Staff Contact: Phil McMurray, General Counsel

Department: General Administration

Agenda Item: Officer Elections



BACKGROUND REPORT

Meeting Date: March 10, 2021

Staff Contact: Hicham EITal, DGM Water Rights/Supply

Department: Water Resources

Agenda Item: Water Resources Report



BACKGROUND REPORT

Meeting Date: March 10, 2021

Staff Contact: Don Knapp, Chief Financial Officer

Department: Finance

Agenda Item: DRAFT FY 2022 Budget
