



MID Named Large Business of the Year by Greater Merced Chamber of Commerce for the Year of 2011

The Merced Irrigation District has been named Large Business of the Year for 2011 by the Greater Merced Chamber of Commerce.

"This year's business of the year award marks a bit of a departure from our traditional recognitions," said Chamber Board President David Melin during the Chamber's annual installation dinner on Friday June 29. "However, in the past year, MID has set a sterling example of business and community involvement that has so significantly benefited Merced County that it could not be overlooked."

The Chamber noted that in difficult economic times,



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MID received the award for its significant community involvement in 2011.

MID had not only been successful but also significantly given back to the community.

MID owns, operates and maintains the New Exchequer and McSwain reservoirs and hydroelectric facilities, providing irrigation water to more than 2,000 growers, and low-cost electricity to 1,300 businesses and 6,000 residences in Merced County.

"At every level, MID has shown itself to be a proven community partner," said Melin

The Chamber noted that MID had shown strong initiative as a supporter of clean renewable energy – while at the same time fighting back against Sacramento mandates that would increase costs to businesses and residents in Merced County.

See "Business" Back Page



FROM THE HEADGATE: MID GENERAL MANAGER JOHN SWEIGARD

Progress toward increased water storage. Healthy finances. And continued community involvement.

Those are among the current items making news for users of Merced Irrigation District water and electricity.

MID's efforts to enhance its water supply took a big step forward when the U.S. House of Representatives passed bipartisan legislation in June that could pave the way for an increase in the storage capacity of Lake McClure. As for the fiscal health of MID, our ongoing efforts to be fiscally responsible were validated when an outside auditing firm reported that the District is on firm financial footing. Meanwhile, the Greater Merced Chamber of Commerce named MID the Large Business of the Year, recognizing our sterling example of business and community involvement. (See the above story). And

speaking of community involvement, MID is excited to help sponsor a Merced Historical Society exhibit on Merced County's water development.

McCLURE STORAGE LEGISLATION ADVANCES

Rep. Jeff Denham, R-Turlock, introduced legislation in July of 2011 that would help pave the way to expand the storage capacity of Lake McClure. The bill had bipartisan support, being co-sponsored by Rep. Dennis Cardoza, D-Merced; Jim Costa, D-Fresno; Kevin McCarthy, R-Bakersfield; and Devin Nunes, R-Visalia. It also received significant endorsements from the Cities of Merced, Livingston and Atwater, as well as Merced County, the local Farm Bureau and the Merced Sun-Star Editorial Board.

See "Headgate" Back Page

Continued From Front: "Business"

The Chamber also commended MID for its successful efforts to lobby Congress this year for increased water storage, which would provide a host of benefits to the entire community.

Among other undertakings by MID: It has helped add an additional day of racing and sponsorship of the MERCIO Cycling Classic, a significant generator of economic activity for the community each year.

MID is the first public utility to sponsor the UC Solar Institute at UC Merced.

It has become a major sponsor of the county fair, both helping the community and providing MID an opportunity to educate the public about energy saving programs, solar opportunities and canal safety.

MID and its staff has devoted their personal time and resources to assist-

ing local nonprofit organizations: United Way of Merced County, CASA of Merced County, the Boys and Girls Club and many others.

Most recently, when the community rallied behind the city's efforts to re-open McNamara Pool, MID agreed to help contribute to the effort and conduct its annual water and canal safety day there. Additionally, its managers purchased 600 vouchers allowing the community's youth to swim for free this summer.

Through its cost-cutting measures and effective management, MID has maintained affordable water and electric rates. It's most recent external audit showed the District to be on solid footing with healthy reserves, paying off its debt and was given the highest opinion an outside auditor can provide. For the 2010-11 calendar year, MID's net assets increased by \$11.6 million while long-term debt decreased by \$1.8 million.

"Rather than asking the question, 'when will the economy improve?' MID asked 'how can we work to improve the economy right now?'" said Melin, with the chamber.

MID Vice Chairman Wil Hunter and Dave Long accepted the award.

"This is a significant honor for MID," said Director Hunter at the dinner event. "MID, like everyone else, has faced difficult decisions during the down economy. MID's managers and employees have arisen to the challenge, and they have succeeded."

Director Dave Long echoed similar sentiments as he jointly accepted the award.

"It is clear from this recognition that our management team and employees are meeting and exceeding the expectations of our fellow business partners and our community," he said. "We thank you for this tremendous recognition."

Continued From Front: "Headgate"

MID is currently involved in a long, complex process of obtaining a new multi-year license from the Federal Energy Regulatory Commission (FERC) to operate its Merced River Hydroelectric Project. The project includes Lake McClure and New Exchequer Dam. MID's existing FERC license expires in 2014. Lake McClure provides irrigation water to approximately 2,200 farmers. Up to 100 megawatts of electricity is produced at the reservoir's New Exchequer Dam Powerhouse.

As part of the relicensing effort, MID is considering a project to raise the spillway on Lake McClure by up to 10 feet. The modification would allow MID to capture up to an additional 70,000 acre feet of water during wet years.

The spillway modifications would cause temporary increases of water levels in approximately 1,800 feet of the Merced River where it joins Lake McClure. These increases would occur about once every three years and last only between two and eight weeks. The bill by Rep. Denham that passed the House of Representatives does not authorize the spillway project to be built. It simply allows MID to submit the proposed project to FERC and for the commission to consider it for approval. The federal agency is currently prohibited from doing so under current law. Such consideration by FERC would

require significant environmental review, including a robust open, public dialogue on the merits of the project. To become law, the legislation still must be approved by the U.S. Senate and be signed by the President.

If the spillway improvement project were built, it would provide a host of benefits to eastern Merced County. In addition to new irrigation supplies in dry years and increased renewable energy, it would improve the health of eastern Merced County's groundwater aquifer. The Cities of Merced, Atwater and Livingston - as well as County residents and agricultural users - all depend on the aquifer to various degrees for their water supply.

The project still has a long way to go. But this is a significant milestone for MID and for the community of Merced County. We are grateful for all of the support we have received both at the local level and from our delegation of Valley Congress Members.

EXTERNAL AUDIT SHOWS MID RIGHT ON TRACK

In addition to the significant news about the spillway project, MID also received some outstanding news about the District's finances in June. As you know, we have been working hard in the down economy to make responsible decisions now and for the future of MID.

Our annual external audit of the District's finances gave us the highest possible financial opinion. Spanning 59 pages, the report shows the District to be in good financial

standing with healthy reserves and meeting all of its debt service requirements.

The annual audit for the 2010-2011 calendar years shows the District's net assets increased by \$11.6 million while long-term debt decreased by \$1.8 million.

It is clear that we have made the right decisions for the fiscal health of the District and all of its stakeholders - especially our ratepayers. The audit balance sheet shows MID has \$230 million in assets and \$131 million in liabilities.

The intense outside review of MID's finances was conducted over several months by Burr, Pilger, Mayer, Inc., based in San Francisco. The firm was selected following a formal request for proposals in 2011. MID was given an "unqualified opinion" following the firm's audit, the highest opinion an auditor can give.

MID MAKES HISTORY

As MID continues its efforts to partner with the community we serve, we have had the recent opportunity to join with the Merced Historical Society. The Courthouse Museum currently has an exhibit called "Following the Water: A History of Merced County Irrigation" that opened at the end of June and provides a historic perspective on Merced County's water history and development. MID has been pleased to help sponsor the exhibit. We strongly encourage you to visit it. The museum is open Wednesday through Sunday from 1 p.m. to 4 p.m.