

# THE Current



MID's Monthly Newsletter

March 2012



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## To Avoid Potential Water Curtailment In Dry Year, MID Calls for Cooperation



*The sun rises over the El Capitan Canal west of Merced.*

### DID YOU KNOW?



MID is proud to sponsor numerous community events and activities throughout Merced County. Among them:

The MERCO Cycling Classing, which helps generate hundreds of thousands of dollars in economic activity in our community.

The Merced Downtown Christmas Parade.

Youth activities, including the Boys and Girls Club.

The various chambers of commerce.

Sober graduation programs for Merced County youth.

Although faced with one of the driest years on record, Merced Irrigation District expects to have sufficient water supplies to meet growers' needs.

"This has been an extremely dry winter and in order to avoid curtailment in water supply, it will take a joint effort from MID operators and growers," said Deputy

General Manager of Water Resources Hicham Eltal.

The District has carefully managed its supplies in Lake McClure and will lean on pumping banked groundwater to ensure adequate deliveries to growers. Rates will remain the same for in-District water at \$18.25 per acre foot. MID has placed ap-

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## FROM THE HEADGATE: MID GENERAL MANAGER JOHN SWEIGARD

There has been significant attention in recent weeks on California's new renewable energy requirements. And for good reason: it will hit every California resident squarely in their pocketbook.

It doesn't have to be this way. We can continue to reduce the state's carbon emissions and do so without putting our residents in the poorhouse.

Central to the issue of renewable energy is hydroelectricity. Similar to wind and solar energy, this source of renewable energy produces no carbon emissions.

Last year the legislature passed SBX-2 requiring the state to increase its use of renewable energy to 33 percent over the next decade. The legislation passed with

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proximately 1 million acre feet of water into Merced County's aquifer since the last significant dry spell in the 1990s and has approximately 600,000 acre feet available for pumping.

MID's Customer Services Department requests that all crop applications and owner/tenant agreements be completed and returned as soon as possible. As in previous years, irrigation orders may be placed 24 hours a day, seven days a week during the irrigation season by calling (209) 722-2720 or toll-free at (800) 750-2720. Customers may also use MID's automated water ordering system at (866) 825-2475 or

place orders online at [www.mercedid.org](http://www.mercedid.org).

In order to avoid potential curtailment of water this year:

- There will be no Sphere of Influence (SOI) Sales. However the MID Board of Directors may revisit SOI deliveries if the water supply picture changes positively in the next 3 months.
- For 2012, MID must suspend off-peak deliveries, constant flows, constant heads, and continuous flows (except for rice growers).
- Growers will be asked to use avail

able heads of water on a rotation basis to ensure every vital drop of water is put to use.

- Growers are requested to call as early as possible to place orders. DSO's will try to sequence deliveries between growers on a given lateral or sublateral. Most of the losses in the canal system are due to seepage through the system, and increasing the practice of rotational deliveries can help minimize excess seepage losses.

"This is going to be a tough year, but if we all work together, we will get through it," said General Manager John Sweigard.

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bipartisan support – and with bipartisan opposition.

No doubt, this legislation was well intended. And Merced Irrigation District ("MID") has long supported the use of renewable energy. MID built the Exchequer hydro project in the 1920s and the New Exchequer hydro project in the 1960s. Additionally, MID has held contracts for wind and small hydro projects for a decade. MID is also a proud sponsor of the UC Solar Institute based at UC Merced.

Unfortunately, the legislation placed a cap on the size of hydroelectric projects that count as renewable. That cap is 30 megawatts. MID produces 95 megawatts of electricity at its New Exchequer hydro project on nearby Lake McClure. The energy is just as renewable as wind, solar or a qualifying 30-megawatt hydro project. Yet it exceeds the cap established by SBX-2.

The New Exchequer hydroelectric project can meet most of our customers energy needs in the coming years. However, MID also expects it will have to spend upward of \$30 million over the next nine years purchasing replacement renewable energy, due to the 30 megawatt cap. This money will have to come from you, the residents of one of the poorest communities in the state. That money will be diverted to renewable energy companies likely outside Merced County.

Here is the real kicker. Many irrigation districts, including MID, are currently

going through renewal of their hydro power licenses with the Federal Energy Regulatory Commission. MID expects to spend approximately \$25 million on this process. The operations at New Exchequer Dam and Powerhouse will be reviewed by dozens of state and federal agencies, as well as non-government organizations. MID has performed extensive environmental studies. Ultimately, they will likely result in significant new measures placed on the hydro project to offset any perceived environmental impacts from the hydro project.

already begun passing the burden of the new costs to their ratepayers. At MID, we know it's an uphill battle but we haven't given up yet. MID provides low-cost energy to many of the largest employers in our community and to our residents, most of whom continue to struggle to make ends meet.

The goal of California's electrical system being supplied by 33 percent energy produced from wind, solar and small hydroelectric plants is an admirable goal. However, the cost of this



*The energy produced at MID's New Exchequer Powerhouse, left, does not meet the definition of renewable energy under California's new clean energy mandate. Although the electricity is carbon-emission free, it exceeds the 30 megawatt cap passed by legislators last year.*

It is this simple: in spite of having the most modern mitigation measures placed on MID's hydroelectric project at a cost of tens of millions of dollars, MID will have to spend additional millions more on energy considered to be renewable under the politics of Sacramento. That's a double dip.

Many public and private utilities have

energy is currently twice that of market place energy.

Including large-scale hydroelectricity can help rein in these additional costs and continue to produce clean energy.

We are grateful that Senator Anthony Cannella has tried to address this issue in his bill, SB 971. As he clearly stated, this is going to be an uphill battle.