

MERCED IRRIGATION DISTRICT
APPROVED MINUTES
November 21, 2013

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 10:00 A.M. in the County Board of Supervisors Chamber Room.

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>
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 Finance	Brian Stubbert
Director of Administrative Services	Jennifer Carter
Director of Parks and Recreation	James Mills
Public and Government Relations Officer	Mike Jensen
Customer Programs Manager	Vanessa Lara
Business Development Manager	Chris Cuttone
Information Technology Manager	Jesse Kilgore
Executive Assistant to the General Manager	Crystal Guintini

The following Board member had an excused absence:

Kevin Gonzalves *Division 4*

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

Mr. Anthony Roggero addressed the Board of Directors regarding his position that the District's use of a ditch across his land is permissive.

Mr. Sohan Sahota addressed the Board of Directors regarding the matter of reimbursement of subdivision fees and grower/tenant fees, as well as communications with staff for the Merced County.

CONSENT CALENDAR

- | | |
|---------------------------------|------------------|
| 1. Board Meeting Minutes | November 5, 2013 |
| 2. Written Disbursement Request | No. 61 |

On a motion by Vice President Long to accept Consent Calendar as presented, seconded by Director Koehn; the Board approved the Consent Calendar. The vote on the motion was as follows:

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

ACTION/DISCUSSION ITEMS

Director of Administrative Services Carter requested the Board of Directors adopt Resolution No. 2013-33 allowing California Public Employees' Retirement System ("CalPERS") employee contribution by the District to be considered tax-deferred payroll deductions as defined by the Internal Revenue Code ("IRC"), Section 414(h)(2). MID and the employees currently pay employee contributions depending upon their employee group and ate of hire; this will have a tax benefit by designating the contributions as tax-deferred. After discussion and on a motion by Vice President Long to adopt Resolution No. 2013-33, seconded by Director Koehn; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Ms. Carter requested the Board of Directors adopt Resolution No. 2013-34 and 2013-35 allowing the District to pay Employer Paid Member Contribution ("EPMC") for the California Public Employees' Retirement System ("CalPERS"), as defined in Government Code Section 20691. The District is currently paying EPMC for employees enrolled in CalPERS, this practice must be adopted by the Board of Directors independent of any resolution adopting employee policies or MOU. After discussion and on a motion by Director Koehn to adopted Resolution No. 2013-34 and 2013-35, seconded by Director Pimentel; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Ms. Carter requested the Board of Directors review and consider a claim filed by Mr. Delmar Nichols for property and tree loss at 13565 West Peach Avenue, Livingston for an incident occurring on August 18, 2013. Mr. Nichols is claiming damages to property, four lost tress and twelve leaning trees due to a canal incident. Mr. Nichols is claiming a loss of \$5,975.00. Ms. Carter stated it is staff's recommendation to accept and pay the claim. After discussion and on a motion by Vice President Long, seconded by Director Pimentel; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Ms. Carter requested the Board of Directors to consider a claim filed by Mr. Daljit Rai for alleged tree damage at 940 Misty Harbour Drive, Livingston. Mr. Rai claims that water supplied to him by MID has damaged his trees to stop producing and began to die. Ms. Carter stated it is staff's recommendation to deny the claim and refer to ACWA JPIA for further disposition. After discussion and on a motion by Vice President Long to deny the claim, seconded by Director Pimentel; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Ms. Carter requested the Board of Directors consider a claim filed by Mr. Tim M. Smith for extra labor required when there was an incident with the North Bloom Lateral new his property at 8236 West Olive Avenue, Winton. The damaged caused approximately 200 yards of sand to enter his fields during almond harvest and request Mr. Smith to hire outside labor to "hand knock" the trees in affected area. Ms. Carter stated it is staff's recommendation to accept and pay \$219.74 to Mr. Smith. After discussion and on a motion by Vice President Long to accept and pay the claim, seconded by Director Koehn; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Deputy General Manager Water Resources Kelly requested the Board of Directors reinstate water services to APN's 2017-130-014 (Edwards), 207-130-026 (Malone), 207-130-027 (Malone) and 207-130-029 (Hamamoto). Mr. Kelly reviewed the process for parcels to receive future water per MID Resolution No. 10-91. Mr. Kelly stated it is staff's recommendation to approve the request for reinstatement of water services. After discussion and on a motion by Director Pimentel to approve the request for instatement of water services, seconded by Vice President Long; the Board unanimously approved the motion. The vote on the motion was as follows:

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

Deputy General Manager Energy Resource Ouchley requested the Board of Directors approve Resolution No. 2013-36 approving Renewable Portfolio Standard ("RPS") Procurement Plan. Mr. Ouchley introduced Mr. Justin Wynn, outside counsel for the District from Sacramento that is working on the effort. In addition he recognized MID staff Christopher Cuttone and Vanessa Lara for their continuous hard work on the Plan. Mr. Ouchley presented a legislative history of RPS. Mr. Ouchley stated it is staff's recommendation to approved Resolution No. 2013-36. After discussion and on a motion by Director Koehn to approve Resolution No. 2013-36, seconded by Vice President Long; the Board unanimously approved the motion. The vote on the motion was as follows:

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

REPORT ITEMS

Deputy General Manager, Water Resources Kelly presented the Water Operations Report. As of October 31, 2013 the total supply of surface and groundwater was 440,047 AF, total deliveries was 321,170 AF. Mr. Kelly provided brief updates of off season activities for the Shop, Irrigation Operations, Pump and Wells, and the Maintenance Departments.

Mr. Kelly presented the Board with a financial analysis presentation on economics, water pricing and water transfers. The analysis focused on the water and parks departments. The financial analysis was provided as an education and discussion item leading into the upcoming budget process, Master Water Management Plan process and an action item the board will consider at the next board meeting

prior to end of the year regarding a currently approved water transfer agreement with San Luis Water District. Several growers in attendance expressed interest in perhaps having access to some of the water currently approved for transfer to San Luis Water District and they additionally stressed they did not want to interfere with the San Luis Water District, MID or the current transfer. After a lengthy discussion between growers and the Board, Director Koehn recommended staff look into options and opportunities with the Le Grand Athlone Water District ("LAWD") and the Sphere of Influence ("SOI") Corporation. The Board agreed and provided staff with direction explore opportunities to work on transfer opportunities with LAW and SOI. Vice President Long stated he is interested in exploring all options and would like staff to pursue all possible opportunities.

DIRECTOR REPORT

None

CLOSED SESSIONS

At 11:25 a.m., President Pellissier announced that the Board would adjourn to closed session. General Counsel McMurray reported that the Board would meet with counsel to discuss two matters of anticipated litigation pursuant to Govt Code section 54956.9(b), 2 matters of existing litigation pursuant to Govt Code section 54956.9(a), as well as to perform an employee evaluation of the General Manager pursuant to Govt Code section 54957.

At 11:35 a.m., President Pellissier convened the closed session with Board members Koehn, Long, Pellissier, and Pimentel present. At 12:45 p.m., the Board returned to open session and Mr. McMurray reported that the Board met with counsel regarding 2 matters of anticipated litigation as described on the agenda, and authorized initiation of litigation in 1 matter. The details of the matter will be in public if and when litigation is initiated. The vote was as follows:

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

Mr. McMurray reported that the Board met with counsel regarding two matters of existing litigation as described on the agenda and provided staff with direction but took no action. Mr. McMurray also reported that the Board performed a performance evaluation of the General Manager, but took no action in closed session.

OPEN SESSIONS

The Board discussed revised contract terms to be offered to the General Manager. The Board also reviewed a Total Compensation Survey as it relates to the General Manager contract discussion. The Board discussed proposed terms for the General Managers contract including a base salary of \$200,379 per year for a four (4) year term. The Board discussed a severance for termination with no cause addition to the contract. Director Koehn stated the base salary discussed is still below average general manager salaries for similar local and like districts but is a good increase; Director Koehn indicated that Mr. Sweigard is a capable and effective General Manager. Director Pimentel agreed but indicated that the Board had agreed upon a salary to be offered for the extension at the last Board meeting and did not feel it should be adjusted, and intended to vote 'no' for that reason. On a motion by Vice President Long to extend the General Managers contract consistent with the proposed terms discussed, seconded by Director Koehn; the Board approved motion. The vote was as follows:


Ayes: Long, Koehn, Pellissier
 Noes: Pimentel
 Abstain: None

Absent: Gonzalves

ADJOURNMENT


President Pellissier adjourned the meeting at 1:05 P.M. Mr. Sweigard indicated that due to a water conference the week of the next regularly scheduled Board meeting, as well as other conflicts, the next Board meeting would be moved back approximately 1 week.

The next scheduled Board of Directors meeting is tentatively scheduled for Thursday, December 12, 2013 at 10:00am.



Dave Long, Vice President

APPROVED:



Tim Pellissier, President