

THE Current



MID's Monthly Newsletter

December 2013



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Board of Directors

Div 1: Tim Pellissier,
President
Div 2: Scott Koehn
Div 3: Dave Long, Vice
President
Div 4: Kevin Gonzalves
Div 5: Billy Pimentel

Board Meetings

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

The first Tuesday of
every month at 10:00 am.

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MID Preps For Bright New Future

Change.

If there was just one word to summarize the happenings at Merced Irrigation District, "change" would be it. Against a backdrop of statewide drought, MID is involved in a host of events and regulatory processes that will jointly determine the future of MID and its resources for years to come.

DROUGHT AND WATER STORAGE

As MID enters the winter months, Lake McClure is holding less than a quarter of its water capacity. This is the result of two consecutive dry years. In fact, the water is so low that the original Exchequer Dam – normally underwater – became visible in October. The original dam was built in the 1920s and has generally remains submerged since the larger New Exchequer Dam was constructed in the 1960s. It was last seen in 2008.



The original Exchequer Dam continues to emerge from Lake McClure as the water level drops in a second dry year. This is the top of the original 1920s dam as seen in early November.

There is no clear prediction about the melting snow and water runoff MID can expect to see this winter. However, the District will be keeping a watchful eye on the weather and reporting conditions through newsletters and the MID website.

See "Future" Back Page

FROM THE HEADGATE: MID GENERAL MANAGER JOHN SWEIGARD

First and foremost, on behalf of the entire MID family, I'd like to wish you and your family a Merry Christmas and a Happy Holiday Season.

Providing affordable public power and irrigation water is never easy. It takes a team of dedicated professionals, both in the field working on canals, power lines and powerhouses – as well as those working to secure and protect

your water and power resources. These are responsibilities the employees at MID take very seriously and we thank you for the opportunity to serve you.

As you will see from this month's newsletter, MID is in the midst of numerous changes.

This is an exciting – and challenging – time. The decisions made in the coming months and years will affect you and the Dis-

trict well into the future.

As important decisions are considered and made, we will do everything possible to keep our doors open to you and keep you informed. Your input as stakeholders and customers remains a top priority.

Should you ever have a question for MID, please don't hesitate to contact us at 722-5761. Or feel free to drop by our office.

Continued From Front: "Future"

The District is still working on efforts to increase its storage capacity to capture flood water through modifications of its existing spillways.

FEDERAL RE-LICENSING

MID has reached a significant milestone in its lengthy process to obtain a new federal operating license for the Merced River Hydroelectric Project. The vast majority of environmental studies and public comment have been completed and submitted to the Federal Energy Regulatory Commission, or FERC, for review.

The Merced River Hydroelectric Project consists of New Exchequer and McSwain Dams, and Lakes McClure and McSwain.

In 1964, MID received a license from the federal government allowing the District to expand its 1920s-era facilities on the Merced River. Among the goals of the expansion were securing a more reliable source of water, improved flood control, increased clean energy generation and new recreation facilities.

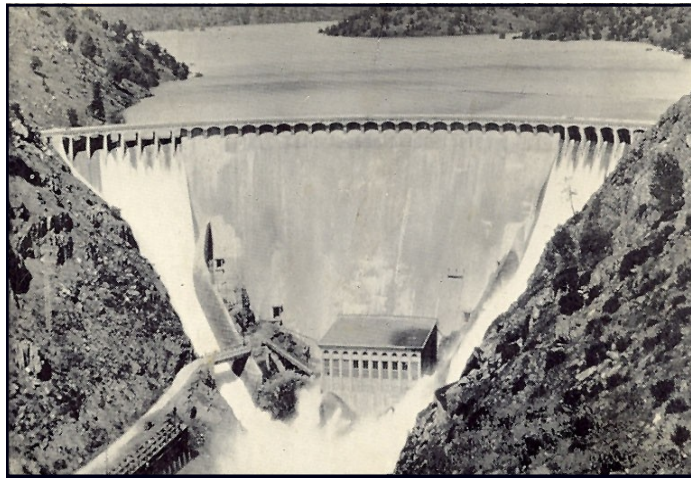
The District's current 50-year license is coming due. Since 2008, the District has been preparing for the new licensing. This has included more than 4 years of studies, input from stakeholders and proposed recreation improvements from MID. FERC will now review all of this information and prepare draft requirements for re-licensing.

"We are not across the finish line, but we can certainly see it now," said Bryan Kelly, Deputy General Manager of Water Operations. Kelly has helped shepherd the process forward for the District.

Once a draft environmental review is released from FERC sometime around July of 2014, it will again be open to additional public comments and reviews. A final license should be issued around February 2015. It is of critical importance to MID and those served by the District as it will include new operating requirements. It will also address a host of issues from the amount of water MID must release down the Merced River to the vast recreation improvements MID has planned.

NEW EXCHEQUER POWER RETURNS TO MID

At the same time that MID is preparing for a new operating license, the District is also preparing to take back the benefits of the power generated at New Exchequer's hydroelectric project. When MID took on the work to increase its facilities and capabilities



The original Exchequer Dam, above, was constructed in the 1920s. It has mostly remained submerged after the larger New Exchequer Dam was constructed just downstream in the 1960s. The original dam is visible, at left, in the shadow of the larger New Exchequer Dam after two dry years.

in the 1960s, MID entered into a significant agreement with Pacific Gas and Electric Co. The private utility agreed to a 50-year arrangement in which PG&E received the benefit of the energy produced at the Project. In turn, MID was able to construct and operate the new dam and powerhouse with no cost to the District.

The Contract with PG&E expires on June 30, 2014. MID customers and constituents will receive the benefit of the power produced – as well as bear the cost of operating the facilities – for the first since its construction. MID is busy preparing for the transition and is on track to complete all of the numerous regulatory, governmental and contractual agreements.

"The turnover of the power benefits from PG&E to MID is a major milestone in the District's history," said MID Deputy General Manager of Energy Don Ouchley. "Plans are being developed for a 50-year commemoration celebration of this historic moment."

Although the District will benefit once the PG&E contract expires, it remains to be seen just how soon and how much. MID must comply with state and federal mandates, and has significant amounts of debt associated with the re-licensing of the facility.

DELTA WATER QUALITY

In addition to other changes in operations, MID is still facing the very real prospect of being forced to release more of its water

down the Merced River during months when it typically is trying to capture winter runoff and snowmelt in Lake McClure. The State Water Resources Control Board is currently updating its water quality management plan for the San Joaquin Delta, which connects to San Francisco Bay and the Pacific Ocean. Under the Board's current proposal, MID and other east-side irrigation District's would be required to release significantly more water from storage to the San Joaquin River and the Delta.

MID and others have long argued that numerous other measures can be taken to improve the Delta and its fish species before requesting more flows of water down the Merced, Stanislaus and Tuolumne Rivers. Floodplain habitat around the Delta can be improved; salmon fishing regulations can be altered; and non-native sport bass – which consume Delta smelt and small salmon – must first be addressed.

Following two days of hearings in Sacramento in spring 2013 – with significant outcry from Valley residents – the State Board has delayed a decision on its river flow proposal for a year. MID's view is this is not necessarily good news. Numerous problems remain with the Board's plans. Most worrisome, however, is the complete disregard for the impacts to the region's groundwater. Diverting more water to the Delta leaves less water to put back into the eastern Merced County aquifer.

IN THE COMMUNITY

MID remains extremely proud of its community involvement. For the second year in a row, MID's employees are helping local foster youth in need. In particular, MID employees have been working to help provide gifts for teenagers within the program Court Appointed Special Advocates, or CASA.

"Through no fault of their own, many of these local teenagers find themselves in difficult circumstances," said Mike Jensen, MID Public and Government Relations Officer. "It's great to see our entire MID team come together for them."

Last year MID employees raised more than \$7,100 for 35 youths.