

THE Current



MID's Monthly Newsletter

August 2014

MID MERCED
IRRIGATION
DISTRICT
WATER & POWER

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FROM THE HEADGATE: MID GENERAL MANAGER JOHN SWEIGARD



*A Senior
MID
Distribution
System
Operator,
Israel
Haley,
examines
the gates
on one of
MID's many
canals. Mr.
Haley has
been with
the District
for well
over a
decade.*

As the end of the irrigation season approaches, the District is continuing to do everything possible to assist growers during this unprecedented drought. The big question: how low will Lake McClure fall? The reservoir will be taken below its regular minimum operating level of 115,000 acre feet to 85,000 acre feet. This will occur at the end of the irrigation season.

Without significant storms, the lake will fall to 5 percent of its capacity by December. It has a total storage capacity of 1 million acre feet.

Although the drought has taken center stage, MID still has an eye on the future.

New Exchequer Spillway Increase

The District is continuing to push for increased storage at New Exchequer Dam. Earlier this year, MID representatives joined the Merced One Voice delegation during its annual trip to Washington, DC.

The delegation represents a cross section of Merced government and business interests. Members meet with key legislators and their staff to express unity in support of local infrastructure projects. During this year's trip, the group met with Congress Members and senior Senate aides who are discussing drought relief measures. Rep. Jim Costa – who represents Merced County – met several

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El Nido Project Will Capture More Storm Water For District

Merced Irrigation District is proceeding with a significant project in the El Nido distribution area to receive the maximum amount of water possible from Mariposa Creek.

MID will modernize an existing diversion structure on Mariposa Creek west of Highway 99. The result will be a fully automated gate that can safely, and immediately, be raised and lowered to maximize diversions from the creek to the El Nido distribution area during high-flow events. Once the water

reaches the El Nido distribution system area, it can be diverted across 9,000 acres, or it can be diverted into a 21-acre basin used to recharge groundwater in the area.

The project also will include monitoring the flow of recharge into the basin and as it disperses underground. The actual increased amount of water that can be diverted from Mariposa Creek will be completely dependent on the

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times with the One Voice group and continued to offer his strongest support for efforts to increase the local water supply for Merced area growers.

Participating in the meetings from MID were Hicham ElTal, Deputy General Manager for Water Rights; and Mike Jensen, Public and Government Relations Officer. The House of Representatives has twice passed legislation aimed at studying the proposed project. It has had the bipartisan support of Congressman Costa and other Valley legislators.

Planning for the Future

The District is proceeding with a long-range resource management plan that will help guide decision-making for years to come. The work began earlier this year with a host of workshops allowing for public input on its development. More workshops and opportunities for input will be announced in the coming months. The plan aims to help MID prioritize infrastructure projects, provide insight on how to maximize MID water rights and shed light on options for financial management. Among many issues likely to be examined are the District's efforts to recharge

groundwater, conjunctive groundwater management and water transfers. For more information, please visit mercedid.org.

MID Finances Receive High Marks

A recent external audit of the District's finances has again given MID the highest possible financial opinion possible, an "unqualified opinion."

The outside review of MID's finances was conducted over several months by Burr, Pilger, Mayer, Inc., based in San Francisco.

The annual audit for the 2013-2014 calendar years shows the District's net position increased by \$4.7 million while long-term debt decreased by \$1.9 million.

Spanning 63 pages, the report also shows the District to be in good financial standing with healthy reserves and meeting all of its debt service requirements.

In recent years, the MID Board has adopted a number of policies to assist in managing and monitoring District finances. Those policies and the work of our dedicated staff have resulted in the superb audit.

MID had \$78.7 million in operating revenue and \$73.1 million in expenses for the year. The result was a net income from operations to the District of \$5.6 million, which will be

used to fund reserves and invest in capital improvements. The audit balance sheet shows MID has \$261 million in assets and deferred outflows of resources and \$143 million in liabilities and deferred inflows of resources.

MID's external audit is conducted each year and is required to provide assurance that the financial position of the District is being correctly reported. The financial statements are also used by the bond market and are part of the annual bond disclosure requirements ensuring proper debt coverage.

MID Takes Control of New Exchequer Hydropower

At midnight on July 1, MID began receiving the benefit of hydroelectricity produced at New Exchequer Hydroelectric Project. The transfer of electric outflow from PG&E to MID represents a significant milestone in the District's history. The New Exchequer Dam construction in the late 1960s was funded, in part, through a power purchase agreement between MID and PG&E. Under the 50-year contract, PG&E received all the benefit of the power produced at the project. MID employees have always operated and maintained the project. With the contract ending, the District will receive all of the benefit – and all of the debt obligations – associated with operating the project.

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amount of water in the creek in a given year. MID has rights to receive up to 100 cubic feet per second of flow from Mariposa Creek. Ultimately MID has a goal to divert approximately 4,000 acre feet per year for the benefit of the El Nido area.

Automating the gates at El Nido Dam will be reduce the time required to operate flow and water controls at the structure. Additionally, monitoring wells will be used to further study groundwater recharge in El Nido.

The project is just one of many that is bearing fruit from the Merced Integrated Regional Water Management Program. IRWMP represents a large cross section of community water interests working together to collectively solve problems and receive funding from outside sources.

"This is a common-sense, simple solution that can benefit our entire District, and especially our growers in the El Nido area," said MID General Manager John Sweigard. "This goes to show what can be accomplished when our entire community works together."

El Nido Irrigation District became a



El Nido Dam on Mariposa Creek will be automated, helping El Nido area growers to maximize water rights from Mariposa Creek during times with high flow.

member of Merced Irrigation District in 2004. Before that it had purchased water from MID and received water from Mariposa Creek. The consolidation of El Nido Irrigation District was a tremendous benefit to the groundwater basin, providing surface water to an area historically dependent on groundwater.

In total, the project will cost \$730,000 and is being funded mainly through a state grant under the Department of Water Resources.

Work on the Dam is expected to be completed by 2015. Installation of the monitoring wells and other work will be completed by May of 2016.

"The support of community residents and growers was instrumental in obtaining funding," said Hicham ElTal, Deputy General Manager of Water Supply and Rights for MID. "This has taken a significant amount of work and the end product will benefit The District and our entire community. MID appreciates each and every resident and farmer that contributed to making this project a reality."