

**MERCED IRRIGATION DISTRICT
UNAPPROVED MINUTES
November 24, 2015**

The Board of Directors of the Merced Irrigation District met on the above date, pursuant to notice, at 10:00 A.M. at Merced Irrigation District headquarters.

PLEDGE OF ALLEGIANCE

Roll call showed the following Board members present:

Directors:

Dave Long	<i>President – Division 3</i>
Billy Pimentel	<i>Division 5</i>

The following Directors were present via teleconference:

Jeff Marchini	<i>Division 1</i>
Scott Koehn	<i>Vice President – Division 2</i>
Kevin Gonzalves	<i>Division 4</i>

The following MID Employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Water Rights/Supply	Hicham Eltal
Director of Administrative Services	Jennifer Carter
Executive Assistant to General Manager	Crystal Guintini

CORRECTIONS OR ADDITIONS TO THE AGENDA

None

PUBLIC COMMENT

Director Marchini indicated that he regretfully could not attend the Boards meeting in person but appreciated the opportunity to call in.

CONSENT CALENDAR

None

ACTION/DISCUSSION ITEMS

Deputy General Manager, Water Rights/Supply Eltal requested the Board review and consider authorizing the sale and transfer up to 4,000 AF of District pre-1914 water in Bear Creek and Lake Yosemite to the San Luis Water District ("SLWD"), and further requested the Board consider adopting Notice of Exemption in order to comply with requirements of the California Environmental Quality Act relating to the potential transfer. Mr. Eltal reviewed the terms of the transfers: a minimum of 1,000 AF to a maximum of 4,000 AF of pre-1914 water would be sold, depending on hydrology. The price would be based on a certain factors including hydrology and Central Valley Project allocations, but that the price would start at \$1,000 per AF. Mr. Eltal explained the pros and cons of the transfer, and responded to a variety of questions from the Board members.

Director Gonzalves stated he was concerned with water banking happening in Northern and Southern cities, and he wanted to make sure the water would stay local and not be transferred outside of the SLWD. General Counsel McMurray stated the District uses standard language in its transfer agreements that purchased water cannot be sold outside of the district, the water must be used within the district boundaries.

Director Marchini inquired about Stevenson Water District and their potential participation in the transfer; Mr. Eltal indicated that it is the buyer's responsibility to make arrangements to convey

water that is transferred so he was unsure about how the Stevenson Water District might participate in this transfer, but he would find out. Director Marchini also wanted to make sure that the transferred water would be used in Merced County, to which Mr. Eltal responded yes. Director Marchini indicated his support for the transfer but indicated that he would not vote since his call in location had not been agendized.

Director Koehn stated this is a good opportunity to capture the most value from the District's water rights.

After further discussion Director Gonzalves made a motion to adopt Resolution No. 2015-40 as presented, seconded by Director Pimentel; the Board approved the motion. A roll call vote indicated as follows:

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

REPORT ITEMS

None

CLOSED SESSION

None

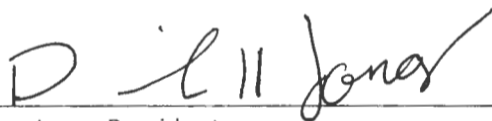
ADJOURNMENT

President Long adjourned the meeting at 10:30 AM.

The next scheduled Board of Directors meeting is Tuesday, December 15, 2015.



Scott Koehn, Vice President/Secretary



Dave Long, President