

**MERCED IRRIGATION DISTRICT
APPROVED MINUTES
May 25, 2017**

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

PLEDGE OF ALLEGIANCE

Roll call showed the following Board members present:

Directors:

Jeff Marchini	<i>Division 1</i>
Dave Long	<i>President – Division 3</i>
Scott Koehn	<i>Division 2</i>
Billy Pimentel	<i>Division 5</i>

The following Director had an excused absence:

Kevin Gonzalves	<i>Division 4</i>
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The following MID Employees were also present:

General Manager	John Sweigard
General Counsel	Phillip McMurray
Deputy General Manager, Water Rights/Supply	Hicham ElTal
Deputy General Manager, Energy Resources	Don Ouchley
Deputy General Manager, Water Operations	Bryan Kelly
Director of Administrative Services	Victor Moreno
Chief Financial Officer	Brian Stubbart
Senior Engineer, Energy Resources	Richard Dragonajtys
Customer Programs Manager	Vanessa Lara
Water Resources Engineer	Marco Bell
Information Technology Manager	Jesse Kilgore
Interim Executive Assistant to General Manager	Dominique Zuniga

CORRECTIONS AND/OR ADDITIONS TO AGENDA

General Counsel McMurray requested the Board consider adding a proposed action item to the Boards agenda, Resolution No. 2017-28, a potential water transfer to the United States Bureau of Reclamation, East Bear Creek Unit. On a motion by Vice President Koehn to add the item to the agenda and otherwise adopt the Board's agenda as presented, seconded by Director Pimentel; the Board unanimously approved the motion.

PUBLIC COMMENT

Brad Robson applauded the District for doing a wonderful job fulfilling water orders and working hard to sell and deliver as much surface water as possible this year in order to ease strain on groundwater supplies. He has been very happy with the District's customer service this year.

CONSENT CALENDAR

On a motion by Director Marchini to approve the Consent Calendar as presented, seconded by Director Pimentel; the Board unanimously approved the Consent Calendar. The vote was as follows:

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

PUBLIC HEARING

At 10:05 AM, Board President Long opened the public hearing relating to the District's ongoing development of its Water Resource Management Plan. Board President Long indicated that, pursuant to the agenda, the Board would open its public hearing to receive public comments regarding its Water Resources Management Plan, and specifically a Environmental Scoping Meeting. Greg Eldrich and Mark Oliver, consultants of the Districts consulting firm CH, provided the Board with a presentation. Mr. Eldrich discussed briefly the history of the development of the plan and how it was developed through the early stages to the point where the Board recently decided to proceed moving forward with the "Balance Approach" alternative in the plan.

The next step in the process is to begin developing an environmental review document for purposes compliance with the California Environmental Quality Act, and Mister Oliver describes that process and the purpose of the public hearing. Mister Oliver indicated that the District and his firm would begin drafting the programmatic environmental impact report very soon after the end of the scoping meeting. Mr. Oliver discussed the importance of obtaining public input as it protects the District, and helps raise issues that can be addressed as the document is developed.

After the presentation and confirming that there were no additional comments from the Board or public, President Long closed the public hearing at 10:15 AM.

ACTION ITEMS

Deputy General Manager Energy Resources, Ouchley requested the Board consider attestation of the veracity and submission of the District's 2016 Annual Report to the California Energy Commission ("CEC"). Mr. Ouchley provided to Board with a presentation and reviewed the draft annual report that have been put together by staff, for the Boards review and attestation. After further discussion, Vice President Koehn made a motion to attest to the veracity and approve submission of the District's 2016 Annual Report to the CEC, seconded by Director Marchini; the Board unanimously approved the motion. The vote was as follows:

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

Deputy General Manager, Water Operations, Kelly requested the Board review and consider adopting Resolution No. 2017-26, Reinstatement of Water Service to property owned by Richard Stowe and Karen Hughes-Stowe (APN 056-310-023). Mr. and Ms. Stowe relinquished the right to MID water service in 1998 per agreement with MID, however no MID has no record in its database of this parcel receiving District water. Director Marchini expressed his concern with approving this request as the current owners are the ones who relinquished ownership in 1998 opting them from paying years of standby fees, however would like to now buy back in but for only 5 years. The Board and staff had a robust discussion about the Boards desire to update its policy for parcels wishing to buy back into the District, and Mr. Kelly confirmed that staff is working on background information and should have a presentation ready for the Board at an upcoming meeting.

After further discussion, Vice President Koehn made a motion to adopt Resolution No. 2017-26 as presented, seconded by Director Pimentel; the Board unanimously approved the motion. The vote was as follows:

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

Director of Administrative Services, Victor Moreno requested the Board review and consider adopting Resolution No. 2017-27, a Resolution of Intention to approve an amendment to the contract between the California Public Employees Retirement System and the Merced Irrigation District. The benefit shall apply to all Merced Irrigation District employees' eligible survivor(s) if the member dies while actively employed, has attained at least age 50 for classic, age 52 for Miscellaneous PEPRAs members, and has at least five years of credited service annual Employer (District) contribution will increase by 0.089%, or approximately \$10,000. Mr. Marino responded to other questions from the

Board. After further discussion, Director Marchini made a motion to adopt Resolution No. 2017-27 as presented, seconded by Director Pimentel; the Board unanimously approved the motion. The vote was as follows:

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

Mr. ElTal requested the Board review and consider adopting Resolution No. 2017-28, water transfer to the United States Bureau of Reclamation, East Bear Creek Unit. Mr. ElTal discussed the proposed terms of this agreement include providing the unit with up to 7,000 AF of water however will not affect current District customers. Mr. ElTal noted the District is competing with other agencies to provide services to this customer. Mr. ElTal also discussed other key terms of the proposed agreement, including the amount of water, pricing, compliance with CEQA, timing and deliveries. After further discussion, Vice President Koehn made a motion to adopt Resolution No. 2017-28 as presented, seconded by Director Pimentel; the Board unanimously approved the motion. The vote was as follows:

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

REPORT ITEMS

Mr. Kelly, presented the Board with the Water Resources Report giving the status on diverted surface water and conjunctive groundwater pumping in the Districts Main Canal, and Northside Canal. Mr. Kelly provided monthly information regarding AF of water delivered to accounts. Between March 1 and May 22, 2017, approximately 35,974 AF have been delivered which is made up of approximately 24,388 acre-feet of deliveries to Class I and II users, approximately 11,586 AF to other commitments, such as the Stevinson Water District, the Merced National Wildlife Refuge, and in-basin water transfer purchases.

Mr. Eltal presented the Board with the Merced River Hydrology and Reservoir Operation report providing information about the water levels in Lake McClure. Mr. Eltal also noted that we are experiencing the peak of our runoff.

ADJOURNMENT

President Long adjourned Open Session at 11:20am.

CLOSED SESSION

At 11:20am, President Long announced that the Board would adjourn to closed session. General Counsel McMurray reported that the Board would adjourn to closed session at the District's Administration Building located at 744 W. 20th Street in Merced to conference with its counsel regarding one (1) matter of existing litigation pursuant to Government Code Section 54957.9(a) involving the case of Merced Irrigation District v. Masellis Drilling Inc. and Thomason Development Company (Merced Superior Court Case No. 17CV-01420); one (1) matter of real property negotiation to discuss price and terms of payment pursuant to Government Code Section 54956.8, MID negotiators are identified as its General Manager, General Counsel and Deputy General Manager Water Resources, APN 053-100-042 owned by the Hoekstra Land Co.; and, one (1) public employee performance evaluation regarding the District's General Manager pursuant to Government Code Section 54957. There was no public comment on any item listed on the closed session agenda.

At 11:45am, President Long convened the closed session with Board members Koehn, Long, Marchini and Pimentel present. At 3:10pm, the Board returned to open session. There were no members of the public present. Mr. McMurray reported that the Board met in closed session regarding each of the three (3) matters previously described. Mr. McMurray indicated that the Board took action ratifying the filing of a complaint in the matter of Merced Irrigation District v. Masellis Drilling Inc. and Thomason Development Company (Merced Superior Court Case No. 17CV-01420). The vote on the action was as follows:

Aye: Koehn, Long, Marchini and Pimentel
 Noe: None
 Abstain: None
 Absent: Gonzalves

Mr. McMurray stated the Board also received information and provided staff with direction regarding the matter but took no further action. Mr. McMurray then stated that the Board provided staff real property negotiators with direction and authorization regarding pricing and terms of payment regarding the negotiation with the Hoekstra Land Co. (APN 053-100-042), and that the specific terms will be made public if and when an agreement can be reached with the property owners. The vote on the action was as follows:

Aye: Koehn, Long, Marchini and Pimentel
 Noe: None
 Abstain: None
 Absent: Gonzalves

Mr. McMurray further stated that the Board met in closed session to evaluate the performance of its General Manager, however the Board took no action in closed session regarding the matter.

OPEN SESSION- ACTION ITEM

President Long stated that the Board would discuss whether to offer a contract renewal or contract extension to the District's General Manager. President Long stated that without disclosing what the Board had discussed in closed session, that the Board felt that the General Manager had performed his job well over the term of his existing contract, and was representing the District and the Board well at the federal, state and local levels. Directors Marchini and Koehn indicated their agreement with President Long's statement and that the four (4) members of the Board present all wanted to offer the General Manager a renewal to his contract, but that the only question was the appropriate level of compensation.

The Board had a thorough discussion about the job the General Manager was doing, and General Manager Sweigard responded to a variety of questions from the Board. Director Koehn stated that he felt an increase in monthly pay to \$21,500 was appropriate given the Board's review of salaries of general managers of several neighboring irrigation and water districts, and stated that other compensation such as vacation time, sick time, and other benefits should remain the same. Directors Long, Marchini and Pimentel agreed that the level of compensation proposed by Director Koehn was appropriate. After further discussion, Director Koehn made a motion to offer the General Manager a new contract with substantially the same terms as contained in his existing contract, with compensation of \$21,500 per month and for a term to run from June 1, 2017 through December 31, 2022. Director Marchini seconded the motion, and the Board unanimously approved the offer of contract renewal to the General Manager. The vote on the action was as follows:

Aye: Koehn, Long, Marchini and Pimentel
 Noe: None
 Abstain: None
 Absent: Gonzalves

ADJOURNMENT

President Long adjourned the meeting at 3:35 pm



 Scott Koehn, Vice President/Secretary



 Dave Long, President