

MID Board Report

Modesto Irrigation District (MID) Board Meeting of Tue., July 14, 2009

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The next MID Board meetings will be July 21 and 28; and Aug. 4, 11 and 18

The MID Board Report is a summary of highlights of meetings of the MID Board of Directors and not a complete or official record of proceedings. Official records of proceedings of the MID Board of Directors are contained in the Minutes of meetings of the Board of Directors. For information about the Minutes, please contact the Office of the Board Secretary, 1231 Eleventh Street, Modesto, telephone 209 526-7360, 8 a.m. – 5 p.m., Monday – Friday, excluding holidays, or email Board@mid.org.

TANC Announcement

Following a closed session regarding anticipated litigation, the MID Board announced a unanimous vote to direct its Commissioner to Transmission Agency of Northern California (TANC) to vote at the next TANC meeting that MID no longer participate in the TANC Transmission Project.

Staff Reports

- **Water Report** – Walt Ward, Assistant General Manager of Water Operations, reported that to maintain fishery vitality, Tuolumne River flows through August are being adjusted per the weather. On hotter days flows will be increased to up to 120 cubic feet per second (cfs) and on cooler days flows will be around 100 cfs, yielding average river flows of approximately 105 cfs through the summer.
- **Don Pedro Board of Control Report** – Director Hensley reported that more than 15,000 people viewed the Fourth of July fireworks show. Business continues to pick up as campground reservations are at 90 percent capacity with all the holidays booked.

Approved by unanimous vote

- Resolution approving and authorizing the General Manager to execute the following two contracts:
 - Contract for Displacement of Base Resource between the Western Area Power Administration and Central Valley Project Corporation (CVP Corp.) customers.
 - CVP Corp. Membership Agreement authorizing CVP Corp. to act as Displacement Program Administrator.

Approved by majority vote

- Resolution approving an increase in the Transmission & Distribution budget allocation for MID's portion of the Westley, Walnut, Parker 230 kV Transmission Line Painting Project from \$2,000,000 to \$2,805,000.

Solar Photovoltaic Program

Energy Services Supervisor Bob Hondeville presented policy options for two decision topics related to MID's Solar Photovoltaic (PV) Incentive Program.

Should MID:

1. Allow leased solar PV systems to qualify for Senate Bill 1 incentives?
2. Update the dollar amount of MID incentives for solar PV systems beginning Aug. 1, 2009?

By majority vote, the Board acted on item 1 by continuing with the present policy. MID will only permit customer-owned solar PV systems to qualify for incentives.

By unanimous vote, the Board acted on item 2 by setting the MID incentive for solar PV systems at \$2.40 per watt for systems less than 30 kW and \$0.16 per kWh with a 10-year performance based incentive for PV systems greater than or equal to 30 kW (up to 1,000 kW).

Budget Workshop

Assistant General Manager of Electric Resources Roger Van Hoy led a review of the MID Electric Resource Policy. Discussion included policy overviews on demand, supply and transmission and a look at state energy mandates.

Pricing Risk Administrator Scott VanVuren reviewed MID's risk management and hedging policies. Discussion included an overview of the goals of gas hedging, market developments, risk management policies, hedging results and a preview of possible policy revision discussions.

Review of the Energy Services budget was postponed to the next Board meeting on Tuesday, July 21.