

## MID E-Release

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### Modesto Irrigation District (MID) Board Meeting of Tue., Aug. 11, 2009

*The next MID Board meetings will be Tues., Aug. 18 and 25, and Sept. 8 and 22 at 9 a.m.*

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](mailto:Board@mid.org).

**Water Report – Developing El Niño conditions** have gripped the attention of weather watchers, according to Walt Ward, Assistant General Manager of Water Operations. The big question is whether this El Niño will be moderate or strong. A strong El Niño that raises ocean temperatures four or five degrees centigrade can bring significant rain and snow to our part of the Central Sierra and Valley.

- **Irrigation demand** is probably just past its peak for the year with the almond harvest underway.
- **Water elevation in Don Pedro is 792.75**, 41 feet higher than this time in 2008.
- **The variable flow/water temperature experiment** in the Tuolumne River downstream of La Grange continues. Water flows are averaging slightly higher than the original study target of 105 cubic feet per second.
- **Forty million gallons per day** is the amount of treated drinking water the Modesto Regional Water Treatment Plant has consistently produced for the City of Modesto in recent days.

#### Approved by unanimous vote

- **Modesto Reservoir lease agreement:** Resolution approving and extending for an additional 25-year term a Lease of Real Property Agreement between MID and Stanislaus County. This agreement pertains to properties owned by MID near Modesto Reservoir and operated by Stanislaus County for park and recreation purposes.
- **Remittance processing software:** Resolution approving and authorizing acquisition of ProfitStars RemitPlus software. MID will use RemitPlus to process customer bill payments and update customer account records faster, with fewer errors and at lower cost to MID ratepayers.

#### Approved by majority vote

- **Finney Substation control building:** Resolution approving and authorizing an agreement with Roland Construction, Inc. for construction services in an amount not to exceed \$130,700 for the Finney Substation Control Building. This project is required to provide back-up power to Stoddard Substation for transformer bank contingency problems and to replace obsolete equipment at Finney Substation.

#### Federal Reliability Standards Compliance Update

Senior Engineer Steve Hill presented a required semi-annual update regarding MID's Reliability Standards Compliance Program including these highlights:

- The backup Control Center has been completed and tested.
- Transmission system cyber standards have been submitted for review.
- The first quarterly employee reliability newsletter has been published.

#### Workshop: Modesto Wastewater Biomethane Fuel Cell Project

Resource Planning & Development Manager Greg Salyer explained a proposed **fuel cell system** located at the City of Modesto's Sutter Avenue wastewater treatment plant. This system would:

- **Use methane gas** produced by the wastewater treatment process as fuel
- **Generate electricity by means of a chemical reaction**
- **Produce baseload power** in an amount ranging from 900 kilowatts to 1.4 megawatts, and
- **Produce only water** as a byproduct of operation.

- more -

- continued -

**Fuel cells are the most efficient and clean use** of methane gas for electric generation. The cost is reasonable compared to other green energy options such as solar. Staff recommends that the \$10.8 million project be approved contingent upon receipt of a \$4 million California Energy Commission grant. This project would generate one-quarter of one percent of MID's total energy needs.

**MID 2010 Budget Workshop**

Staff continued with discussion of the 2010 MID budget. Review included details of the proposed:

- **Capital budgets** for Irrigation Services and Modesto Domestic Water. The City of Modesto reimburses Domestic Water costs to MID.
- **Purchased power & fuel budget**, MID's single largest expense. Projected costs have dropped 17 percent, from \$238 in 2009 to \$197 million projected for 2010. Reasons for the decline include lower natural gas costs, lower electric consumption due to the weak economy and delays in green energy projects.

**Operations & maintenance budgets** for Electric Resources and Transmission & Distribution divisions.

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