

## MID E-Release

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### Modesto Irrigation District (MID) Board Meeting of Tue., Sept. 22, 2009

Next MID Board meetings: Oct. 13 & 27, Nov. 10 & 17. NO Board meeting Nov. 24, Thanksgiving week.

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** – Walt Ward, Assistant General Manager of Water Operations, reported that

- **Meteorologists are backing off of earlier forecasts** of a strong El Niño event in 2010 and are now saying that the El Niño, if any, is likely to be weak.
- **Water elevation in Don Pedro Reservoir is 43 feet higher** than this time last year and will probably trend towards **770-772 feet** by year's end.
- Tuolumne River flows will probably remain around 100 cubic feet per second through the end of Sept., then bump up a little in Oct. to aid migrating salmon.
- **The end of October** is the target for the end of the 2009 irrigation season.

**Don Pedro Board of Control Report** – Director Hensley reported that

- **July was a very good month financially** with revenues exceeding expenses by \$157,000.
- **Year-to-date revenues are ahead** of expenses by \$200,000 following a slow start.
- **Labor Day activities were up in all categories** with revenues up 28 percent on Labor Day weekend.
- The Recreation Agency has approved installation of high speed internet and Wi-Fi service that will extend into campgrounds. The fee will be \$7.95 for 24 hours.

**Approved by unanimous vote**

- A Resolution congratulating the **Oakdale Irrigation District on its centennial** celebration during September 2009.
- A resolution recognizing Sept. 2009 as **National Preparedness Month**.

**Legislative update**

Regulatory Administrator Joy Warren reported on recent developments affecting ratepayers, including

- **Renewable portfolio standards raised** – Governor's Executive Order raised to 33 percent by 2020.
- GHG offsets – Proposal would limit use of offsets to meet greenhouse gas requirements.
- Water conservation – Governor's goal is 20 percent statewide reduction in water use by 2020.
- **Delta water package** – A multi-faceted bill being worked on by group of 14 legislators.
- **Climate change fees** – California Air Resources Board is developing a fee structure to cover costs of implementing state law. MID estimates initial cost to our ratepayers at \$250-\$300,000 / year.
- **Ballot initiative: New 2/3 vote requirement for local public electricity providers** – Would require local governments to obtain approval of 2/3 of the voters before providing electricity to new customers or expanding electric service to new territories.

**Performance-based solar photovoltaic (PV) incentive program (Senate Bill 1 mandate)**

- At the Sept. 8 meeting, the Board accepted a group of **solar incentive applications received after July 22 and before July 31, 2009**, with no megawatt limit on the size of the projects. These commercial customers would receive a performance-based incentive paid by MID over 10 years.
- Today's Board meeting examined the question of **whether to limit the MID incentive to 50 percent of the total cost of the project**, for this group of solar incentive applications.
- Using a model solar project as an example, Energy Services Supervisor Bob Hondeville calculated the contributions made by the customer, the federal government (through favorable tax treatment) and MID through its incentive program. He then listed the pros and cons for the customer who installs the solar project and for MID. Pros and cons were shown both with and without the 50 percent limit on incentive payments.

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**Bottom line: The incentives will cost MID ratepayers about \$40 million over 10 years without the 50 percent limit, about \$30 million with the limit.**

**Approved by majority vote**

By majority vote with one member abstaining, **the Board approved limiting performance-based solar PV incentives** – for these applications received after July 22 and before July 31, 2009 – **to 50 percent of the project cost.**

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