

MID E-Release

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Modesto Irrigation District (MID) Board Meeting of Tue., Nov. 17, 2009

NOTE SCHEDULE CHANGE: A Special Board meeting has been scheduled for Nov. 24, Thanksgiving week, to discuss the MID 2010 budget. The following MID Board meetings will be Dec. 8 and 15.

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.

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

- **Year-to-date revenues are ahead of expenses** by about \$100,000 despite a minor loss during Sept.
- **Campground reservations from Oct. 2008-Oct. 2009** totaled 7,155, slightly ahead of the same period a year ago.
- **The Blue Oak Road improvement project** has been completed.
- **Some houseboats were damaged** in the Oct. 13 wind storm, which saw gust of up to 50 mph.
- **Over 65 bass tournaments** have been held so far in 2009 at Don Pedro Reservoir.

Approved by unanimous vote

Resolutions to:

- **Acquire, install and maintain 22 copiers** and execute related agreements with Lucas Business Systems within approved budgeted amounts. Initial estimated cost is approximately \$166,000.
- **Authorize two contributions to MID retirement plan funding** payable as of Dec. 31, 2009 for settlement Jan. 4, 2010. Each year MID contributes to retirement plans the dollar amounts recommended by the plans' actuary. The amount of contribution needed is affected by gains and losses in the plans' investment portfolios. Changes in the market value of the plans' portfolios sometimes make year-end contributions necessary. The contributions authorized today are:
 - A \$1,080,005 contribution to the MID Basic Retirement Plan.
 - A contribution not-to-exceed \$575,000 to the MID Retiree Medical Benefits Plan.

The Board also authorized a change in the timing of year-end contributions to retirement plans. The Retirement Committee had previously approved this change.

Staff reports

- **Identify theft prevention program** – An annual update on MID's federally required program to prevent identity theft and protect the privacy of customer records was provided by Customer Service Manager Jack Krieg.
- **Water issues update** – General Counsel Tim O'Laughlin, Project Manager Greg Dias and Fisheries Biologist Doug Demko of FISHBIO updated the Board on a variety of regulatory and legislative issues, including:
 - **FERC relicensing of Don Pedro Dam & Powerhouse**
 - **FERC interim proceeding on salmon** and steelhead
 - **Biological Opinion** on steelhead
 - **San Joaquin Basin Plan** objectives
 - **State water reform** legislation, and
 - **Recent field work on salmon predation** by non-native fish species.

Budget Summary & Review – Budgets & Rates Administrator Jimi Netniss led a review of MID's 2010 operating and maintenance and capital budgets. Discussion included:

- **\$6.8 million in budget cuts and deferred expenses.**
- **\$1.5 million annual savings** from the natural gas pre-pay transaction.
- **A \$27 million decrease in power supply costs** anticipated in 2010.
- Expenditures by category (refined since Nov. 10): power supply at \$216 million, operating and maintenance \$95 million, capital expenses \$101 million and debt service at \$68 million.

A special 2010 budget workshop will be held on Tuesday, Nov. 24, beginning at 9 a.m.

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