

## MID E-Release

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## Modesto Irrigation District (MID) Board Meeting of Tue., Feb. 23, 2010

*The next MID Board meetings will be Mar. 9 & 23, 2010, 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

Walt Ward, Assistant General Manager of Water Operations reported that:

- **Snowpack in the Central Sierra has dropped 14 percent** in the last two weeks. This reflects a deceptive difference between good rainfall amounts on the valley floor and below normal snowpack levels in the Tuolumne watershed. **What matters for MID's water supply is snowpack.**
- **The latest snow sensor data** shows the year-to-date average in the Northern Sierra at 119 percent, Central Sierra at 82 percent and Southern at 98 percent.
- **January rainfall in Modesto** was approximately twice the average amount.
- **Water elevation in Don Pedro Reservoir** is currently 786.5 feet.

### Don Pedro Board of Control Report

Director Hensley reported:

- **A \$62,000 operational loss** for Dec. 2009 and an \$87,000 loss on total revenue of \$2.1 million for the entire year.
- **A decision on an increase in mooring fees and slip rental fees**, requested by concessionaire Forever Resorts, was tabled until the April meeting.
- **The midwinter eagle count was below average** with a total of 13 adults and 10 sub-adults.
- **Four new floating restrooms** have been ordered.

### Approved by unanimous vote

Resolutions approving/authorizing:

- **An amended agreement with the Oakdale Irrigation District** to facilitate implementation of the San Joaquin River Agreement for 2010.
- **A power pole attachment agreement with Comcast** of California.
- **A \$250,000 agreement with Irrigation Training and Research Center (ITRC)** for Phase IV of the Comprehensive Water Resources Management Plan. Through development of this plan, MID is assessing long-term needs and opportunities to develop the best solutions for future water delivery service and protection of MID water rights. This effort is closely linked to federal relicensing of Don Pedro Dam and Powerhouse. In Phase IV of the Plan, ITRC will:
  - Upgrade the automated control systems at the headworks of Laterals 3, 4, 5 and 6
  - Develop new operational strategies for the Lower Modesto Main Canal and evaluate the future use of a re-regulation reservoir
  - Assess the realistic potential for on-farm conservation measures and feasible options for providing piped water to fields in a manner that better supports micro-sprinkler and drip irrigation, and
  - Evaluate the potential of using existing non-MID facilities as possible alternatives to new construction.

- more -

- continued -

- **An “oppose” position on Proposition 16**, the “New Two-Thirds Requirement for Local Public Electricity Providers.” This June 2010 ballot initiative would amend the California State Constitution to require two-thirds voter approval for a publicly-owned utility to use public funds to expand its electric delivery service territory or provide electric delivery service to new customers within an area where it is a non-exclusive electricity provider. Where service outside the jurisdictional boundaries of a publicly-owned utility is under consideration, voter approval would be required in both the existing service territory and the potential expansion area. The MID Board of Directors determined that Proposition 16 could negatively affect MID’s ability to provide electric service to new customers within the Four Cities and Mountain House areas. The Board of Directors found that passage of Proposition 16 could negatively affect MID’s ability to expand electrical service beyond its present service territory and could impact MID’s operations and rates. PG&E is the primary sponsor of Proposition 16.

### **Approved by majority vote**

- **Scaled-down participation in the Lodi Energy Center Project**  
By a 3-2 majority vote, the Board approved participation in the Lodi Energy Center Project at the **30 megawatt (30 MW) level**. MID’s original subscription in the project was 66 MW. Based on financial constraints of the seven percent electric rate increase adopted for 2010, MID staff was asked to analyze alternatives for participating in the project at reduced levels. Staff completed a decision analysis to weigh continued participation in the project at these levels: zero, 20 MW and 49 MW. These alternatives were compared to market purchases of power. The following points were raised:
  - **MID has scaled back its load projections** in recognition of the severe recession.
  - **However, MID will still need base load resources** to serve customer in 2012 and beyond.
  - **The 66 MW initial subscription level was conservative and did not fill all of MID’s needs for base load** (up to 85 MW). It left room for meeting green energy mandates and taking advantage of reasonably priced hydropower during good water years.
  - **Power to serve base load must be purchased** to the extent that MID does not participate in the Lodi Project. MID has an obligation to serve customers.
  - **The Lodi Project is an opportunity to participate in a highly efficient generation plant** through partnerships with like-minded publicly owned utilities.
  - **Most of MID’s local generation plants are peaking plants**. This generation fills a different type of need than the Lodi Energy Center Project.

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