

**OFFICE OF THE BOARD OF DIRECTORS
OF THE MODESTO IRRIGATION DISTRICT**

1231 Eleventh Street
Modesto, CA
April 11, 2023
8:30 a.m.

The meeting of the Board of Directors of the Modesto Irrigation District was called to order, in regular session, in-person and via webinar, on the eleventh day of April 2023. Present were Directors: Larry Byrd, President, Nick Blom, Vice President, John Boer IV, Robert Frobose and Janice Keating, General Manager, Ed Franciosa, Interim General Counsel, Frank Splendorio and Board Secretary, Angela Cartisano.

QUORUM

Upon roll call, a quorum being present, President Byrd called the meeting to order.

RECESS

At 8:35 a.m., the Board of Directors recessed the meeting.

CLOSED SESSION

At 8:40 a.m., the Board of Directors convened in closed session for:

1. Public Employee Release
(Government Code § 54957)
2. Public Employee Appointment
(Government Code § 54957)

Title: Acting Interim General Counsel

RECONVENE OPEN SESSION

At 9:10 a.m., the Board of Directors reconvened in open session.

ANNOUNCEMENTS FOLLOWING CLOSED SESSION

Frank Splendorio, of Best Best & Krieger announced the following regarding the closed session items:

1. Public Employee Release:
By a vote of 5-0, the Board voted to release the Atkinson Loya law firm as General Counsel but directed that it should retain existing matters.

2. Public Employee Appointment:

By a vote of 5-0, the Board voted to appoint Best Best & Krieger as Interim General Counsel.

PLEDGE OF ALLEGIANCE

President Byrd led the pledge of allegiance.

CONSENT ITEMS

Board Secretary performed a roll call vote.

MINUTES

Moved by Vice President Blom, seconded by Director Keating, that the minutes of March 28, 2023, be approved. President Byrd declared the motion carried by a vote of all Directors present.

WARRANTS

Moved by Vice President Blom, seconded by Director Keating, that warrants numbered 124953 to 125074, in the amount of \$2,661,547.41, be approved. President Byrd declared the motion carried by a vote of all Directors present.

PUBLIC INPUT FOR THE GOOD OF THE DISTRICT

There was none.

PUBLIC HEARING REGARDING MODESTO IRRIGATION DISTRICT'S 2023 WATER RATES

President Byrd opened the hearing at 9:15 a.m.

Gordon Enas, AGM of Water Operations Department presented a background on the need to raise the water rates. He said the Board of Directors adopted the Modesto Irrigation District's Cost of Service Study (COSS) report on November 15, 2022. The COSS found a net revenue shortfall existed for both irrigation and electric lines of business. The study recommended increasing the irrigation rates by 20 percent to cover the shortfall of approximately \$800,000. At the February 14th Board meeting, the Board authorized staff to issue notice of proposed 2023 water rates and establish a public hearing of April 11, 2023. The notice was mailed out to 3,353 district landowners and rates were also discussed at the March 7th landowner meeting. Enas reviewed the proposed 2023 water rates which includes an increase to the fixed charge by \$9 per acre, or from \$44 per acre to \$53 per acre and adding a minimum fixed charge of \$265 for parcels less than or equal to 5 acres. He said the volumetric rate for all tiers will remain unchanged and the facilities maintenance charge will continue to be ½ of the fixed charge, or \$26.50 per acre. The proposed rate increase moves the District towards cost of service as recommended by the COSS which was approved by the Board. He further explained the proposed rate changes require the Proposition 218 process which staff has complied with.

Board Comment:

President Byrd said he is aware of ten protest letters that were received out of 3000 users. There is always concern when it comes to raising rates and as a Board member, he is not used to doing that. It is important that we hear from the public as we strive on transparency.

Director Boer said out of the 10 protest letters that he read, he agrees with the common denominator which is treating all landowners the same whether you have 1 acre or 1000 acres. He further commented on some of the questions raised in the protest letters.

At 9:25 a.m., President Byrd asked for public comment.

The following members of the public spoke against the proposed 2023 water rate increase: Allen Wiersma and John Ferguson.

Director Keating left the meeting at 9:30 a.m.

MOTION

Moved by Vice President Blom, seconded by President Byrd, to approve the 2023 Water Rates as recommended by staff. The motion remained on the floor.

A Board discussion ensued regarding the District's cost savings with a reduction in pumping costs.

President Byrd closed the public hearing at 9:40 a.m.

RESOLUTION 2023-18 APPROVING THE 2023 WATER RATES

WHEREAS, the Board of Directors of the Modesto Irrigation District has directed staff to update the cost of service for operating and maintaining the irrigation water conveyance system; and

WHEREAS, the Board of Directors of the Modesto Irrigation District supports the fair and equitable distribution of water to all its customers; and

WHEREAS, if the State of California levies fees or other charges upon the MID, the MID reserves the option to pass the cost on to the consumer; and

WHEREAS, proposed charges and deliveries to the City of Modesto shall be per the terms and conditions then in effect between the MID and the City of Modesto with respect to the treatment and delivery of water.

BE IT RESOLVED, the Board of Directors of the Modesto Irrigation District does hereby approve the 2023 water rates as set-forth below:

Category	Cost
Fixed Charge (\$/Acre)	\$53.00/Acre
Volumetric - Tier 1 (up to 24")	\$2.00/AF - No Change
Volumetric - Tier 2 (24" up to 36")	\$5.00/AF - No Change
Volumetric - Tier 3 (36" up to 42")	\$11.25/AF - No Change
Volumetric - Tier 4 (>42")	\$40.00/AF - No Change
Minimum Charge (less than or equal to 5 acres)	\$265.00
Facilities Maintenance Charge (\$/Acre)	\$26.50/Acre

AF = Acre-Foot

Moved by Vice President Blom, seconded by President Byrd, that the foregoing resolution be adopted.

The following roll call vote was had:

Ayes: Directors Blom, Boer, Byrd and Frobose

Noes: Director None

Absent: Director Keating

President Byrd declared the resolution adopted.

ITEMS TOO LATE FOR THE AGENDA

There were none.

ANNOUNCEMENTS BY BOARD MEMBERS

President Byrd noted since the last Board meeting, he and Director Frobose have done some research regarding employees coming back to work. He asked Director Frobose to intercede and share his idea. Director Frobose said COVID has provided us with an opportunity for new avenues and opportunities to look at the most effective options available to provide a positive way forward to the future. When he mentioned the word fairness at the last board meeting, he said that encompasses a lot of ingredients and a lot of opportunity. He proposed at the next board meeting, pending consensus of the Board, that they put together an Ad Hoc Committee to address some on these issues. There are firms that provide expert solutions to a hybrid program, and this may be something that an Ad Hoc Committee can do so they can move forward in a very positive manner. President Byrd thanked Director Frobose and asked this item to be agendaized for the next board meeting.

GENERAL MANAGER UPDATES

There were none.

FUTURE BOARD MEMBERS

President Byrd announced the next scheduled meetings are April 25 and May 9, 2023.

ADJOURN

There being no further business, the meeting was adjourned at 2:42 p.m.


Board Secretary