

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held January 13, 2008.

President McKean called the meeting to order at 1:35 P.M.

DIRECTORS PRESENT

Mark C. McKean, President
Brent L. Graham, Vice President
David Cehrs, PhD
Ceil W. Howe, Jr.
Gildo Nonini
Norman B. Waldner
Mike Yoshimoto

DIRECTORS ABSENT

NONE

OTHERS PRESENT

KRCD Staff & Consultants:

Margaret Clayton
David Cone
Steve Haugen
Randy McFarland
John Moore
David Orth
Donna Pepper
Randy Shilling
Steve Stadler
Brian Trevarrow
Cristel Tufenkjian

Others:

Jeff Adolph, Pacific Gas & Electric Co.
Virginia Madrid Salazar, Madrid-Salazar Marketing & PR

ADDITIONS TO OR DELETIONS FROM THE AGENDA

There were no additions to or deletions from the Agenda.

PUBLIC PRESENTATIONS

None

APPROVAL OF MINUTES

It was moved by Director Howe, seconded by Director Waldner and unanimously carried that the Minutes of the December 9, 2008 Regular Board meeting be approved, as presented.

APPOINTMENT OF BOARD COMMITTEES

President McKean appointed Director David Cehrs to serve on the Accounts Payable/Review Team and re-affirmed the appointment of Directors to the District's Committees as follows:

Budget and Audit:	Ceil W. Howe, Jr. Mark McKean Gildo Nonini
Labor and Personnel:	Ceil W. Howe, Jr. Mark McKean Norman Waldner
Ad Hoc Public Power:	Ceil W. Howe, Jr. Mark McKean Brent Graham
Accounts Payable/ Review Team	Mark McKean Gildo Nonini David Cehrs, PhD

WATER CONDITIONS

Steve Haugen, KRWA, summarized a report on water conditions stating storage in the Pine Flat Reservoir (Reservoir) as of 2400 hours on January 12, 2008 was acre-feet with vacant space of 276,761 acre-feet. On that date, the calculated natural inflow to the Reservoir was 538 C.F.S.

Mr. Haugen reported on the eight (8) Kings River snow sensors currently operational, with readings as of January 12, 2008 as follows:

SENSOR	ELEV	WATER CONTENT (INCHES)	APRIL 1 AVERAGE (INCHES)	PERCENT APRIL 1 AVERAGE
Big Meadows	7600	2.5	25.9	9.7%
West Woodchuck	8800	N/R	32.8	
Upper Burnt	9700	6.5	34.6	18.8%
Mitchell Meadow	9900	N/R	32.9	
State Lakes	10300	4.2	29.0	14.5%
Black Cap Basin	10300	7.3	34.3	21.3%
Charlotte Lakes	10400	N/R	27.5	
Bishop Pass	11200	6.2	34.0	18.2%
Snow Sensor Average		5.3	31.4	17.0%

DIRECTORS' REPORTS

Director Cehrs presented an overview of the San Joaquin Valley Blueprint noting all eight San Joaquin Valley counties were holding a summit on January 26, 2009 at the Fresno Convention Center. The purpose is to develop a cohesive regional framework that defines alternative solutions to growth related issues for the Valley such as transportation, housing, land use, economic development, and the environment. Director Cehrs contends the Blueprint should also consider water resource issues.

There were no other reports.

KINGS RIVER WEATHER MODIFICATION PROGRAM

A representative for North American Weather Consultants was not present, however a written report of operations for the month of December 2008 was provided for the review.

GENERAL MANAGER'S REPORT

David Orth directed the Board to the General Manager's monthly status report for the month of December 2008 and highlighted the following:

Community Choice Aggregation (CCA): Mr. Orth presented an overview of meetings of the KRCD and San Joaquin Valley Power Authority (SJVPA) ad hoc committees which were held in December to discuss the status of Community Choice implementation. Mr. Orth reported volatility in the credit and energy markets has affected KRCD's ability to secure energy at prices that meet the SJVPA CCA program financial objectives. Mr. Orth noted both ad hoc committees reaffirmed the commitment to the SJVPA CCA Program objectives of discount, stability and local infrastructure development and provided KRCD staff with general input and direction. Mr. Orth also reported KRCD staff is evaluating several alternatives which will be discussed with the SJVPA Board in January 2009, and continues to monitor market conditions and pursue local resource development, including opportunities to develop and implement SJVPA Member solar initiatives.

Mr. Orth reported Pacific Gas & Electric Company (PG&E) submitted a data request to the SJVPA and KRCD in December which pertains, in part, to issues before the California Public Utilities Commission (CPUC) in the CCA Bond proceeding. The request seeks various things, including more information on the SJVPA and KRCD credit position. Mr. Orth continued reporting that Legal Counsel Scott Blaising, Braun Blaising McLaughlin, P.C. is working to develop a response.

Energy Resources: Mr. Orth reported KRCD staff and consultants are working with California Energy Commission (CEC) staff on two issues relative to the proposed Community Power Plant – water and cultural impacts – identified from the data response. Mr. Orth further reported CEC staff anticipates a workshop in early 2009 to further discuss and evaluate these issues.

Mr. Orth presented an overview of numerous meetings and telephone calls held during December with Cleantech America representatives and KRCD counsel to continue negotiations on the 80MW solar project power purchase agreements.

LEGISLATION

Mr. Orth reported on the ACWA Energy Committee meeting that included discussions of the draft implementation scoping plan of AB32 by the California Air Resources Board (CARB) to reduce greenhouse gas emissions associated with water delivery, treatment and use. In the scoping plan, CARB also suggested establishing a separate water agency public goods charge for use in water efficiency programs to reduce greenhouse gasses. Mr. Orth reported the ACWA Energy Committee opposes this position and has provided written comments to CARB.

PUBLIC INFORMATION

There was no report.

CORRESPONDENCE, MEETINGS AND CONFERENCES

There was no report.

STAFF STATUS REPORTS AND PRESENTATIONS

Water/Environmental Resources and Flood Control: David Cone, Deputy General Manager, Water/Environmental Resources and Flood Control presented an overview of the Proposition 13 Grant, Alta Irrigation District / City of Dinuba Coordinated Groundwater Storage Project. Mr. Cone reported the Grant Amendment to extend the grant period was signed on December 3rd, however, notice was received on December 26th that California Governor Schwarzenegger has frozen State spending and payment of invoices submitted for the project may be delayed. Mr. Cone further reported additional work has been put on hold until this issue changes.

Power Resources: Mr. John Moore, Manager of Power Generation, presented an overview of operations at the Jeff L. Taylor Pine Flat Power Plant reporting no generation at the plant during December. Mr. Moore also reported Unit 3 was available the entire month and Unit 1 was unavailable due to annual maintenance, and Unit 2 was taken out of service December 1-19 to allow penstock coating repairs and annual maintenance. Mr. Moore reported the Pine Flat Reservoir began the month at an elevation of 739.49 feet (ft.) and storage of 152,905 acre-feet (AF). As of January 1, 2009 the reservoir elevation was 750.82 ft. and storage was 178,712 AF, and there was no turbine discharge for the month. Discharge through the turbine bypass system was 6,292 AF, and flow from Mill and Hughes Creeks was zero and no spill from the dam.

Mr. Moore also presented an overview of operations at the Malaga Peaking Plant reporting the plant was dispatched for 26 days in December 2008, and the plant generated a total of 1,659.7 MWh.

FINANCE AND ADMINISTRATION:

Randy Shilling presented an expenditure to budget comparison report for the period ending December 31, 2008.

It was moved by Vice President Graham, seconded by Director Nonini and unanimously carried, bills in the amount of \$1,957,615.59 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

CLOSED SESSION

The Board adjourned to Closed Session at 2:33 P.M. to:

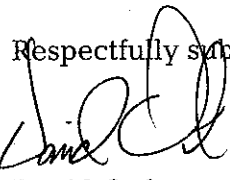
- a) Pursuant to Government Code Section 54956.9(b), conference with Legal Counsel on threatened or anticipated litigation.

RECONVENE TO OPEN SESSION

President McKean reconvened to Open Session at 3:09 P.M. and reported on the conference via telephone with Legal Counsel, Mr. Cal Watkins, Atkinson, Andelson, Loya, Rudd & Romo, and Mr. Dick Damon, ACWA/Joint Powers Insurance Agency. President McKean disclosed the Board met in closed session and the General Manager was directed to continue to pursue a negotiated settlement of the threatened litigation.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 3:10 P.M.

Respectfully submitted,

 David Orth
 Secretary


 Approved

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KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented January 13, 2008
 (For Expenditures in the Month Ending December 31, 2008)

Employee Payroll	12/01/08	2,380.42	
Director's Payroll	12/04/06	119.16	
Director's Payroll	12/09/08	4,780.94	
Employee Payroll	12/10/08	85,527.14	
Employee Payroll	12/23/08	82,125.94	
Employee Payroll	12/26/08	387.22	
Employee Payroll	12/31/08	6,355.33	
			181,676.15
Accounts Payable (KRCD)		1,670,219.79	1,670,219.79
	Sub-Total		1,851,895.94
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	12/03/08		35,588.48
Employee Tax Deposits	12/05/08		806.83
Director's Tax Deposits	12/10/08		19.74
Director's Tax Deposits	12/12/08		1,137.54
Employee Tax Deposits	12/17/08		35,403.76
Employee Tax Deposits	12/26/08		32,642.41
Employee Tax Deposits	12/31/08		120.89
	TOTAL		<u>1,957,615.59</u>