

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held February 10, 2009.

President McKean called the meeting to order at 1:30 P.M.

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Ceil Howe, Jr.

OTHERS PRESENT

KRCD Staff & Consultants:

Margaret Clayton
 David Cone
 Steve Haugen, KRWA
 David Houston, CitiGroup Energy, Inc.
 Randy McFarland
 John Moore
 David Orth
 Donna Pepper
 Randy Shilling
 Steve Stadler
 Brian Trevarrow
 Cristel Tufenkjian

Others:

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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

There were no additions to or deletions from the Agenda.

PUBLIC PRESENTATIONS

David Houston, CitiGroup Energy, Inc. (Citi) presented an overview of the issues impacting the energy and credit markets. Mr. Houston explained Citi will realign into two businesses, Citicorp and Citi Holdings, to optimize the company's future earnings power, and to streamline the organization to focus on the performance of its core businesses. Mr. Houston further explained the realignment will help to expand available credit for consumers and businesses and restore liquidity and stability to the capital markets.

APPROVAL OF MINUTES

It was moved by Director Nonini, seconded by Director Cehrs and unanimously carried that the Minutes of the January 13, 2009 Regular Board meeting be approved, as presented.

APPOINTMENT OF BOARD REPRESENTATIVE TO THE ACWA/JPIA

President McKean reported the District Representative position on the Association of California Water Agencies/Joint Powers Insurance Agency (ACWA/JPIA) board is currently unfilled and appointed Director Norman Waldner to serve as the District's representative to the ACWA/JPIA.

APPOINTMENT OF DISTRICT'S DESIGNATED LABOR NEGOTIATOR

President McKean reported the existing Memorandum of Understanding (MOU) with the represented Hydro and Flood Maintenance Employees expires June 30, 2009 and in anticipation of those negotiations, the District needs to designate labor negotiators to represent the Board. President McKean appointed Randy Shilling, Deputy General Manager of Finance & Administrative Services, and John Moore, Manager of Power Generation as the District's Designated Labor Negotiators.

WATER CONDITIONS

Steve Haugen, KRWA, summarized a report on water conditions stating storage in the Pine Flat Reservoir (Reservoir) as of 2400 hours on February 9, 2009 was 273,362 acre-feet with vacant space of 920,638 acre-feet. On that date, the calculated natural inflow to the Reservoir was 1,194 C.F.S.

Mr. Haugen reported on the eight (8) Kings River snow sensors currently operational, with readings as of February 9, 2009 as follows:

SENSOR	ELEV	WATER CONTENT (INCHES)	APRIL 1 AVERAGE (INCHES)	PERCENT APRIL 1 AVERAGE
Big Meadows	7600	16.1	25.9	62.2%
West Woodchuck	8800	13.4	32.8	40.9%
Upper Burnt	9700	19.1	34.6	55.2%
Mitchell Meadow	9900	19.3	32.9	58.7%
State Lakes	10300	14.1	29.0	48.6%
Black Cap Basin	10300	20.0	34.3	58.3%
Charlotte Lakes	10400	17.4	27.5	63.3%
Bishop Pass	11200	N/R	34.0	
Snow Sensor Average		17.1	31.4	54.4%

DIRECTORS' REPORTS

Director Cehrs reported his attendance to the Upper Kings Basin Water Forum (Forum), the Steering Committee meeting for the Forum, and a public debate on water policy in California and the Central Valley moderated by U.S District Judge Oliver Wanger at California State University, Fresno.

President McKean reported on his attendance at the Legislative Policy Seminar sponsored by The Gualco Group, Inc. held January 28, 2009 in Sacramento.

GENERAL MANAGER'S REPORT

David Orth directed the Board to the General Manager's monthly status report for the month of January 2009 and highlighted the following:

Community Choice Aggregation (CCA): Mr. Orth presented an overview of San Joaquin Valley Power Authority (SJVPA) Board meeting held on January 22, 2009. Mr. Orth reported he provided an update to the Board on the status of CCA and the current energy market and a presentation summarizing potential solar project opportunities within the SJVPA membership. Mr. Orth further reported he discussed grant opportunities under a California Energy Commission's Renewable Based Energy Secure Communities or RESCO program. Mr. Orth also reported KRCD staff is preparing further analysis and recommendations to be considered by the KRCD and SJVPA Boards in February.

Energy Resources: Mr. Orth reported the KRCD Public Financing Corporation met on February 2, 2009 and adopted Resolution PFC-09-01 authorizing the execution of a Master Agreement with Cleantech America, Inc. for development and construction of 80MW of solar renewable power within the District's service area. Mr. Orth further reported the Master Agreement has been signed and negotiations to finalize the Power Purchase Agreement continue.

Irrigated Lands Regulatory Program (ILRP): Mr. Orth reported Regional Water Quality Control Board (Regional Board) staff have provided comments on the draft Monitoring and Reporting Program document prepared by the Southern San Joaquin Valley Water Quality Coalition (Coalition). Mr. Orth reported further as the Regional Board continues to develop their outline of issues relative to a long term solution for the regulation of discharge from irrigated lands, the discussions include how to effectively monitor and take actions to improve groundwater quality as a result of that monitoring. The Coalition has proposed that local groundwater management plans in effect under SB 1938 and the current Integrated Regional Water Management Plans should be reviewed and considered.

Mr. Orth distributed copies of two documents considered as policy principles prepared by ACWA regarding Water Conservation and Water Use Efficiency, and Groundwater Management. Mr. Orth reported these policy principles will guide ACWA staff in the legislative, regulatory and policy arenas.

LEGISLATION

Mr. Orth reported monitoring the ongoing State of California fiscal budget crisis and the continuing discussion at the state level to determine potential areas of property tax shifting away from local government to the state general fund. Mr. Orth further reported that ACWA is leading opposition to this proposal and KRCD staff would support that effort.

Mr. Orth reported **AB 64 (Krekorian, Bass, Blakeslee)**: **Energy**: was introduced in December 2008 proposing dramatic changes to how California will proceed with its Renewable Portfolio Standard. AB 64 would raise the requirements for renewable procurement while maintaining the current standard of 20% by 2010 for investor-owned utilities and requiring that publicly owned electric utilities meet the same goal. By 2015, utilities would be required to procure 25% of their electricity from renewable sources, with the percentage increasing to 35% by the end of 2020. Mr. Orth also reported the bill proposes that 33% of California's electricity be procured from renewable sources by 2020, and also sets the goal of procuring 50% from

renewable resources by the end of 2035. Mr. Orth noted concerns have been raised as to what type of renewable is considered a credit and what type is not considered

Mr. Orth reported U.S. Senator Barbara Boxer has begun discussions of reintroducing the Wild and Scenic Rivers Act to include portions of the Kings River.

PUBLIC INFORMATION

Cristel Tufenkjian, Manager of Community and Public Relations, provided a status report on activities for January 2009 and distributed press releases from the Hanford Sentinel and the Tehipite Topics regarding the KRCD Community Power Plant. Ms. Tufenkjian also presented an overview of the San Joaquin Valley Blueprint summit held January 26, 2009 with the purpose to develop a regional framework that defines alternative solutions to growth related issues for the Valley such as transportation, land use, economic development, and the environment. Director Cehrs suggest KRCD and other water forums should also consider a public outreach on water conservation issues. Upon further discussion, direction was given by President McKean for staff to research and assess possible opportunities to support additional outreach activities.

CORRESPONDENCE, MEETINGS AND CONFERENCES

Mr. Orth advised the Board of the following correspondence, meetings and conferences:

- a. Water Education Foundation – Lower Colorado River Tour March 4-6, 2009.

STAFF STATUS REPORTS AND PRESENTATIONS

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 the month of January and all units were available January 1-15, 2009. After January 15, 2009 all units were taken out of service to perform annual maintenance on the gas circuit breakers. Mr. Moore reported the Pine Flat Reservoir began the month at an elevation of 750.82 feet (ft.) and storage of 178,712 acre-feet (AF). As of February 1, 2009 the reservoir elevation was 770.10 ft. and storage was 227,545 AF, and there was no turbine discharge for the month. Discharge through the turbine bypass system was 7,619 AF, and flow from Mill and Hughes Creeks was 264 AF, and there was no spill from the dam.

Mr. Moore also presented an overview of operations at the Malaga Peaking Plant reporting the plant was dispatched for 15 days in January 2009, and the plant generated a total of 5,666.1 MWh.

RESOLUTION NO. 09-01

It was moved by Director Cehrs, seconded by Director Waldner and unanimously carried to adopt Resolution No. 09-01 authorizing and directing the Board President and General Manager to execute the Upper Kings Basin Integrated Regional Water Management Authority Joint Powers Agreement on the behalf of the District and to deliver the executed agreement to the new joint powers authority.

RATIFICATION OF CONTRACTS

It was moved by Vice President Graham, seconded by Director Cehrs and unanimously carried to approve and authorize the General Manager to ratify the contracts with The Ferguson Group, LLC, and The Gualco Group, Inc.

FINANCE AND ADMINISTRATION

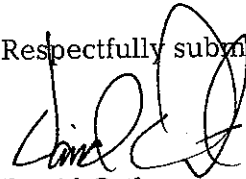
Randy Shilling presented an expenditure to budget comparison report for the period ending January 31, 2009.

It was moved by Director Nonini, seconded by Director Cehrs and unanimously carried, bills in the amount of \$1,232,844.36 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 3:15 P.M.

Respectfully submitted,



David Orth
Secretary


Approved

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**BEFORE THE BOARD OF DIRECTORS
OF THE KINGS RIVER CONSERVATION DISTRICT
FRESNO, CALIFORNIA**

RESOLUTION NO. 09-01

**APPROVING UPPER KINGS BASIN INTEGRATED
REGIONAL WATER MANAGEMENT
JOINT POWERS AGREEMENT**

WHEREAS, the Kings River Conservation District (District) is vitally interested in the management of water supplies available or delivered within its boundaries; and

WHEREAS, one of the water supplies of great importance to the District is the Kings River; and

WHEREAS, in order to maximize the beneficial use of Kings River water, the District has been pursuing integrated regional water management planning strategies for the Upper Kings Basin with other interested parties through an informal coalition sometimes referred to as the Upper Kings Basin Water Forum; and

WHEREAS, through the Upper Kings Basin Water Forum, the parties thereto developed and adopted an integrated regional water management plan for the Upper Kings Basin (the "Upper Kings Basin IRWMP") and have undertaken various activities in furtherance of that plan; and

WHEREAS, the District and other members of the Upper Kings Basin Water Forum wish to facilitate continued integrated water resource management on the Upper Kings Basin by forming a joint powers authority to replace the informal Upper Kings Basin Water Forum and to pursue appropriate water resource planning opportunities in accordance with the applicable provisions of California law and the Upper Kings Basin IRWMP.

THEREFORE, BE IT RESOLVED, that the foregoing recitals are true and correct;

RESOLVED FURTHER, that the District hereby reaffirms its support for and adoption of the Upper Kings Basin IRWMP and shall continue to support its implementation;

RESOLVED FURTHER, that the District has determined that it wishes to become a member of the Upper Kings Basin Integrated Regional Water Management Authority in order to further pursue cooperative planning opportunities for Kings River water in accordance with the Upper Kings Basin IRWMP;

RESOLVED FURTHER, that the joint powers agreement for the Upper Kings Basin Integrated Regional Water Management Authority is hereby approved in the form attached hereto as Exhibit A;

RESOLVED FURTHER, that the Board President and General Manager of the District are hereby authorized and directed to execute and deliver the referenced joint powers agreement on behalf of the District so that the District shall become a member of the Upper Kings Basin Integrated Regional Water Management Authority; provided, that the District's signature on such joint powers agreement shall not be deemed effective, and it shall not become a member of the Upper Kings Basin Integrated Regional Water Management Authority, unless and until at least 5 other public agencies and/or mutual water companies have approved the joint powers agreement and agreed to become members;

RESOLVED FURTHER, that Board President is hereby designated as the District's director on the new joint powers authority's board of directors, and General Manager is designated as the alternate;

RESOVLED FURTHER, that District staff is authorized and directed to take such further actions as they deem necessary or appropriate to implement the foregoing resolutions.

THE FOREGOING RESOLUTION was passed and adopted at a Regular Meeting of the Board of Directors of the Kings River Conservation District on this 10th day of February, 2009, by the following vote:


AYES: President McKean, Vice President Graham, Directors Cehrs, Nonini, Waldner, and Yoshimoto

NOES: NONE

ABSENT: Director Howe



President

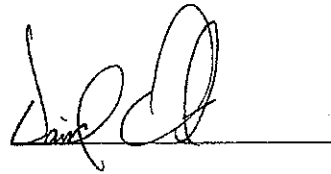
ATTEST:


Secretary

SECRETARY'S CERTIFICATE

I, David Orth, Secretary of Kings River Conservation District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a Regular Monthly Meeting of the Board of Directors of said District duly and regularly held at the regular meeting place thereof on the 10th day of February 2009, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

WITNESS my hand and the seal of Kings River Conservation District this 10th day of February 2009.

A handwritten signature in black ink, appearing to read "David Orth", is written over a horizontal line.

Secretary

AGENDA ITEM 11 (b)

KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented February 10, 2009
 (For Expenditures in the Month Ending January 31, 2009)

Employee Payroll	01/06/09	7,486.68	
Employee Payroll	01/07/09	76,353.20	
Employee Payroll	01/09/09	103.66	
Director's Payroll	01/13/09	4,768.69	
Employee Payroll	01/21/09	73,835.06	
			162,547.29
Accounts Payable (KRCD)		996,294.29	996,294.29
	Sub-Total		1,158,841.58
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	01/07/09		3,215.63
Director's Tax Deposits	01/07/09		937.60
Employee Tax Deposits	01/09/09		4,178.41
Director's Tax Deposits	01/14/09		2,201.72
Employee Tax Deposits	01/14/09		32,766.83
Employee Tax Deposits	01/28/09		30,702.59
	TOTAL		<u>1,232,844.36</u>

