

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held September 8, 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
 Ceil Howe Jr.
 Gildo Nonini
 Norman B. Waldner
 Mike Yoshimoto

DIRECTORS ABSENT

None

OTHERS PRESENT

KRCD Staff & Consultants:

Steve Haugen, KRWA
 Ray Johnson
 John Moore
 Randy McFarland
 David Orth
 Donna Pepper
 Randy Shilling
 Steve Stadler
 Brian Trevarrow
 Cristel Tufenkjian

Others:

Shannon Koontz-Monis, Pacific Gas & Electric Co.

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 Vice President Graham and unanimously carried that the Minutes of the August 11, 2009 Regular Board meeting be approved, as presented.

WATER CONDITIONS

Steve Haugen, KRWA, summarized a report on water conditions stating storage in the Pine Flat Reservoir (Reservoir) as of 2400 hours on September 7, 2009 was 205,273 acre-feet with vacant space of 794,727 acre-feet. On that date, the calculated natural inflow to the Reservoir was 216 C.F.S.

DIRECTORS' REPORTS

President McKean presented a Service Award to Raymond Johnson, Resources Analyst Associate, commemorating 30 years of continuous service to the District.

GENERAL MANAGER'S REPORT

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

Organization: Mr. Orth reported Margaret Clayton, Executive Assistant, has given notice of resignation effective August 28, 2009. Mr. Orth further reported Cristel Tufenkjian, Donna Pepper and other staff will assume duties of the Executive Assistant as the position may be unfilled until January 2010.

Community Choice Aggregation (CCA): Mr. Orth presented an overview of CCA activities reporting the San Joaquin Valley Power Authority (SJVPA) Board met on August 27, 2009 and took action establishing January 22, 2010, as the effective date of the withdrawal of the City of Corcoran from participation and membership in the SJVPA. Mr. Orth noted presentations to the Board by Pacific Gas & Electric Co. (PG&E) and Southern California Edison on public goods programs available to SJVPA members. Mr. Orth reported the City Council of Lemoore will meet on September 15, 2009 to consider withdrawal from the SJVPA.

Mr. Orth also reported the SJVPA joined the City/County of San Francisco in comments on August 27, 2009 responding to the CPUC Energy Division's proposed resolution addressing customer opt-out procedures initiated earlier this year by PG&E. Mr. Orth further reported the CPUC draft resolution orders PG&E to cease offering opt-out until details of Community Choice Aggregation programs are known.

Irrigated Lands Regulatory Program (Ag Waiver): Mr. Orth reported the Regional Water Quality Control Board (RWQCB) conducted a workshop on August 28, 2009 related to how groundwater monitoring studies are conducted and evaluation of monitoring data under various authorities. Workshops were held in Redding, Rancho Cordova, Delano, and Fresno in an effort to develop a groundwater strategy as they move forward in updating the basin plans. Mr. Orth further reported a draft of the document is expected by the end of September and will serve as a road map for current and emerging programs addressing groundwater in the valley. Mr. Orth noted the RWQCB continue their attempts to manage groundwater from a regulatory approach.

Proposition 50: Mr. Orth reported KRCD signed a contract with the State Water Resources Control Board (SWRCB) for Prop. 50 grant funds intended for two projects, one involving a groundwater project for Alta Irrigation District and the second involving Fresno Irrigation District (FID) and Kings County Water District – expansion of the Apex Groundwater project. Mr. Orth further reported due to local opposition in Kings County, the FID board has determined it will not proceed with the Apex project. This decision places the entirety of the Prop. 50 grant at risk, as the SWRCB awarded funds based on the combined value of the two projects. Mr. Orth noted he participated in a conference call with SWRCB staff on August 6, 2009 to discuss alternatives, which include development of a substitute project with attributes equal to or greater than the original FID proposal. Mr. Orth also reported at this time FID is pursuing alternatives.

LEGISLATION

Mr. Orth reported the Kings River Legislative Committee mailed a letter conveying concerns to the California Legislature regarding specific elements in the Delta Legislative Package:

AB 49 (Feuer / Huffman) Water Conservation: Mr. Orth reported comments in the letter regarding AB 49 were *"that the legislation must clarify that best management practices (BMPs) should only be implemented when they are cost effective. The proposed threshold of 10,000 acres on both public and private water purveyors will create a cost and administrative burden that is unaffordable to the smaller entities unless the legislation allows some pooling across regions"*.

SB 12 (Simitian) Resources: Sacramento-San Joaquin Delta Council: Mr. Orth reported the following comments were included in the letter to the Legislature. *"This directive could upset decades of established water rights law and will do nothing to advance water solutions for all Californians. Instead, it will simply divert resources needed to address the State's critical water issues to issues better resolved by local stakeholders. And from experience, we know that the proposed schedule for instream flow determinations is far too ambitious. The SWRCB's Division of Water Rights faces a severe backlog of water rights applications and the requirements articulated in SB 12 will only aggravate that situation"*.

PUBLIC INFORMATION

No report was given.

CORRESPONDENCE, MEETINGS AND CONFERENCES

President McKean advised the Board of the following correspondence, meetings and conferences:

- Letter from Irvine Ranch Water District regarding Director Peer Swan's nomination as ACWA Vice President
- Letter from Randy A. Record regarding his nomination as ACWA Vice President

STAFF STATUS REPORTS AND PRESENTATIONS

Water/Environmental Resources and Flood Control: David Cone, Deputy General Manager, Water/Environmental Resources and Flood Control reported the Upper Kings Basin Integrated Regional Water Management Authority formation meeting will be held September 10, 2009 with fourteen (14) General Members signing the Joint Powers Agreement (JPA) and twenty-one (21) Interested Parties.

Mr. Cone also reported the U. S. Department of Agriculture, Natural Resources Conservation Service (NRCS) offered a cooperative agreement in the amount of \$74,000 to the District to implement and administer the local Agricultural Water Enhancement Program (AWEP). The District will be the local partner for the AWEP program providing assistance to the farmers and NRCS, project oversight, report preparation, etc.

Power Resources: Mr. John Moore, Manager of Power Generation, presented a status report on the operations at the Jeff L. Taylor Pine Flat Power Plant reporting generation totaled 28,138.9 MWh during the month for a total generation revenue of \$219,483.42 for August. Mr. Moore reported the Pine Flat Reservoir began the month of August at an elevation of 809.64 feet (ft.) and storage of 347,390 acre-feet (AF), as of September 1, 2009 the reservoir elevation was 764.08 ft. Storage was

211,627 AF and turbine discharge was 926 AF for the month. There was 19,140 AF spill from the dam and no recordable flow from Mill and Hughes Creeks. Plant generation was shut down on August 31, 2009.

Mr. Moore also presented an overview of operations at the Malaga Peaking Plant reporting the plant for August 2009 had 28 fired starts and 378.1 fired engine hours for Unit #1, and 28 fired starts and 383.5 fired engine hours for Unit #2. The plant generated a total of 34,858 MWh for the month.

FINANCE AND ADMINISTRATION

Randy Shilling, Deputy General Manager of Finance and Administrative Services, presented an expenditure to budget comparison report for the period ending August 31, 2009.

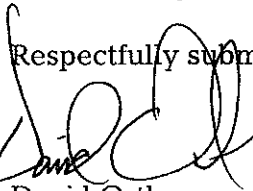
It was moved by Director Nonini, seconded by Director Howe and unanimously carried, bills in the amount of \$1,888,773.58 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

CLOSED SESSION

There was no need for closed session.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 3:00 P.M.

Respectfully submitted,

David Orth
Secretary


Approved
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KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented September 8, 2009
 (For Expenditures in the Month Ending August 31, 2009)

Employee Payroll	08/05/09	74,974.54	
Employee Payroll	08/07/09	5,579.94	
Employee Payroll	08/19/09	73,906.50	
Employee Payroll	08/28/09	651.28	
			155,112.26
Accounts Payable (KRCD)		1,669,242.98	1,669,242.98
	Sub-Total		1,824,355.24
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	08/12/09		34,627.65
Employee Tax Deposits	08/26/09		29,790.69
	TOTAL		<u>1,888,773.58</u>