

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held June 8, 2010.

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

DIRECTORS PRESENT

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

DIRECTORS ABSENT

David Cehrs, PhD

OTHERS PRESENT

KRCD Staff & Consultants:

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

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 Vice President Graham, seconded by Director Waldner and unanimously carried that the Minutes of the May 11, 2010 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 June 7, 2010 was 944,301 acre-feet of storage with vacant space of 249,699 acre-feet. On that date, the calculated natural inflow to the Reservoir was 21,388 C.F.S.

Mr. Haugen reported on the eight (8) Kings River snow sensors currently operational, with readings as of June 7, 2010 as follows:

SENSOR	ELEV	WATER CONTENT (INCHES)	APRIL 1 AVERAGE (INCHES)	PERCENT APRIL 1 AVERAGE
Big Meadows	7600	0.0	25.9	0.0%
West Woodchuck	8800	11.4	32.8	34.8%
Upper Burnt	9700	17.3	34.6	50.0%
Mitchell Meadow	9900	N/R		
State Lakes	10300	5.3	29.0	18.3%
Black Cap Basin	10300	31.2	34.3	91.0%
Charlotte Lakes	10400	N/R		
Bishop Pass	11200	20.6	34.0	60.6%
Snow Sensor Average		14.3	31.8	45.0%

Mr. Haugen also reported inflows for the week of June 1-8, 2010 were recorded as 11,146 C.F.S. and increased to 21,388 C.F.S. In reviewing historical inflows in this range it would typically take a 180% or greater April through July runoff forecast to generate this level of flow. Mr. Haugen further reported that the April through July forecast runoff volume for the current season is anticipated to be between 122%-127%.

DIRECTORS' REPORTS

President McKean reported that in conversations with the General Manager it has become apparent that an Ad hoc Flood Maintenance Committee should be formed to discuss issues related to the Federal Emergency Management Agency (FEMA) flood map updates and the U.S. Army Corps of Engineers (ACOE) inspection report of the flood project. Mr. McKean appointed himself (President McKean), Vice President Graham and Director Howe as Ad hoc Flood Maintenance Committee members.

GENERAL MANAGER'S REPORT

David Orth, General Manager, directed the Board to the General Manager's monthly status report for the month of May 2010 and highlighted the following:

Flood Project Funding: Mr. Orth reported working with Joe Raeder, The Ferguson Group, to develop possible authorization to fund certain flood project activities for inclusion in the federal Water Resources Development Act (WRDA). Mr. Orth further reported these projects would potentially cover response to ACOE inspection issues as well as develop plans to address FEMA accreditation. Mr. Orth also reported considering an appropriations request to address ACOE concerns.

Groundwater: Mr. Orth reported attending the Kings County Water Commission meeting on May 24th to discuss potential regional planning and the recent Legislative Analyst Office (LAO) report on Groundwater, which suggested a local groundwater usage permitting system be created. Mr. Orth stated the Commission took no action and will make no recommendations to the Kings County Board of Supervisors at this time.

LEGISLATION

Mr. Orth reported on the following legislative issues discussed by the Kings River Legislative Committee:

AB 2049 (Arambula) State Water Resources Development System: water delivery:

Mr. Orth reported this bill would prohibit the Director of Water Resources, to the extent permitted by law, from approving a transfer or assignment, for more than 10 years, of any contractual right to the delivery of a water supply from the State Water Resources System that is held by a contractor for agricultural use to another contractor for municipal use. The Legislative Committee sent a letter recommending a Not Favor Position. Mr. Orth further reported this bill was defeated in the Assembly Committee on Appropriations.

PUBLIC INFORMATION

Cristel Tufenkjian, Manager of Community and Public Relations, presented a video clip of the District sponsored annual Solar Car Race at Alta Sierra Intermediate school. Ms. Tufenkjian reported the District has donated kits for building toy solar cars, and has taught students about solar technology through participation in the Energy Academy for the last two years.

CORRESPONDENCE, MEETINGS AND CONFERENCES

There were no correspondences, meetings, or conferences to report.

STAFF STATUS REPORTS AND PRESENTATIONS

Power Resources: Mr. John Moore, Deputy General Manager of Power Operations, presented a status report on the operations at the Jeff L. Taylor Pine Flat Power Plant (Plant) reporting the Plant generation for the month was 90,402.50 MWh producing total revenue of \$705,139.50 for the month of May. Mr. Moore further reported total turbine discharge for the month was 303,598 acre-feet (AF) and there was no discharge through the Turbine Bypass system or spill from the dam. The flow from Mill and Hughes Creeks was 2,763 AF.

Mr. Moore presented an overview of operations at the Malaga Peaking Plant (Peaking Plant) reporting for May 2010, the Peaking Plant had 18 fired starts and 39 fired engine hours for Unit No.1, and 14 fired starts and 19 fired engine hours for Unit No.2 with a generation total of 2,087 MWh for the month of May. Mr. Moore also reported the Western Electricity Coordination Council performance testing was completed on both units May 13-14, 2010 with no problems encountered.

(NON) RENEWAL OF MALAGA OPERATION & MAINTENANCE AND LONG TERM SERVICES AGREEMENTS

Mr. Orth presented an overview of the two contracts the District entered into with Wood Group Power Operations for services at the KRCD Malaga Peaking Plant in September of 2004. The Operation & Maintenance (O&M) Agreement, and the Long Term Services Agreement (LTSA) were for 3-year terms that automatically renew unless the District provides not less than ninety (90) days written notice before the renewal date that we intend not to renew. Mr. Orth reported the next O&M Agreement renewal date is September 20, 2010, and the LTSA renewal date is September 23, 2010.

Mr. Orth also reported the District has issued a Request for Proposals for major maintenance services to replace the current LTSA and is in the process of evaluating responses and negotiating a replacement agreement, targeted to be in place by the September 23, 2010 expiration of the current agreement.

Mr. Orth further reported staff has consulted with the Ad hoc Power Committee, District Counsel and the Department of Water Resources and all parties agree that it is not in the

District's best interest to renew either of these agreements, and also recommends that we do not contract with another O&M company but rather that the District operate and maintain the Malaga plant with our own staff. This self O&M proposal has been discussed with the Department of Water Resources and they have provided written authorization for the District to make this operational change. The budget presented earlier in this meeting was prepared on the basis of the District self O&M as of October 1, 2010.

It was moved by Director Howe, seconded by Director Waldner and unanimously carried, to authorize the General Manager to provide written notice to Wood Group Power Operations of the District's intent not to renew the Operation & Maintenance Agreement and the Long Term Services Agreement for the Malaga Peaking Power Plant.

FISCAL YEAR 2010-2011 BUDGET AND STRATEGIC PLAN

Randy Shilling, Deputy General Manager of Business Operations reported the General Manager has prepared the proposed Fiscal Year 2010-2011 Budget and Strategic Plan. Mr. Shilling presented an overview of the budget and requested questions from the Board.

After some discussion, it was moved by Director Howe, seconded by Vice President Graham and unanimously carried to adopt the General Manager's proposed Fiscal-Year 2010-2011 Budget and Strategic Plan.

RESOLUTION NO. 10-06

Mr. Shilling advised the Board of the Declaration of Candidacy filing deadlines for the District's General Election to be held November 2, 2010, in which elections will be held for the District Directors of Division I, Division III and Division V.

It was moved by Director Howe, seconded by Vice President Graham and unanimously carried to adopt Resolution No. 10-06, requesting the consolidation of the regularly scheduled District election with those regularly scheduled elections to be held November 2, 2010 in Fresno, Tulare and Kings Counties.

ANNUAL REVIEW OF DISTRICT'S STATEMENT OF INVESTMENT POLICY

Mr. Shilling reported State Law requires an annual review of the District's Statement of Investment Policy, in accordance with Government Code Section 63646(a). Mr. Shilling presented, for annual review, and requested the Board's approval of the District's Statement of Investment Policy.

It was moved by Vice President Graham, seconded by Director Yoshimoto and unanimously carried to approve the District's Statement of Investment Policy, as presented.

FINANCE AND ADMINISTRATION

Mr. Shilling presented an expenditure to budget comparison report for the period ending May 31, 2010.

It was moved by Director Nonini, seconded by Director Yoshimoto and unanimously carried, bills in the amount of \$1,715,326.60 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

CLOSED SESSION

The Board adjourned to Closed Session pursuant to Government Code Section 54957 (b)(1) to discuss the annual evaluation of performance for the General Manager.

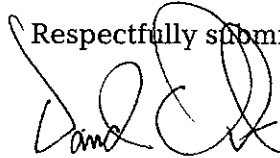
RECONVENE TO OPEN SESSION

The Board reconvened to open session at 3:30 P.M. President McKean reported out of closed session stating that during closed session the Board discussed the performance of the General Manager and voted to increase his salary by 7.5% over the budgeted amount on page 3 of the budget approved earlier as Agenda Item 8.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 3:32 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. 10-06

ELECTIONS

WHEREAS, an election will be held within the Kings River Conservation District on November 2, 2010 for the purpose of electing three (3) Board Members; and

WHEREAS, the Kings River Conservation District is a resident voting district; and

WHEREAS, all Board Members are elected at large; and

WHEREAS, whenever two or more elections are called to be held on the same day, in the same territory, in part of the same territory, or with a statewide election, such elections should be consolidated;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Kings River Conservation District, as follows:

Section 1. The elective offices to be filled, and the names of the incumbents are:

- Director, Division I, Norman B. Waldner
- Director, Division III, Gildo Nonini
- Director, Division V, Brent L. Graham

Section 2. All candidates will run for full four (4) year terms.

Section 3. The Kings River Conservation District requests the governing body or officer of the County of Fresno, the County of Kings and the County of Tulare, as prescribed by elections code Section 10403, to consolidate the regularly scheduled district election with any other elections to be held on November 2, 2010.


Section 4. The candidate is to pay for the publication of the Candidate's Statement. The limitation on the number of words that a candidate may use in such statement is 200 words.

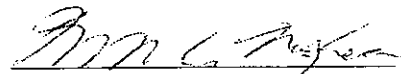
THE FOREGOING RESOLUTION was passed and adopted by the Board of Directors of the Kings River Conservation District this 8th day of June 2010, by the following vote:

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

NOES: None

ABSENT: Director Cehrs

ATTEST: 
Secretary


President

KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented June 8, 2010
 (For Expenditures in the Month Ending May 31, 2010)

Employee Payroll	05/07/10	91.25	
Director's Payroll	05/11/10	4,773.93	
Employee Payroll	05/12/10	76,910.49	
Employee Payroll	05/26/10	78,356.46	
			160,132.13
Accounts Payable (KRCD)		1,491,131.53	1,491,131.53
	Sub-Total		1,651,263.66
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	05/05/10		30,560.67
Employee Tax Deposits	05/12/10		16.40
Director's Tax Deposits	05/14/10		2,183.19
Employee Tax Deposits	05/19/10		31,302.68
	TOTAL		<u>1,715,326.60</u>