

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held July 13, 2010.

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

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Brent L. Graham, Vice President
Ceil Howe Jr.

OTHERS PRESENT

KRCD Staff & Consultants:

David Cone
Randy McFarland
David Orth
Donna Pepper
Randy Shilling
Steve Stadler
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 Director Waldner and seconded by Director Yoshimoto and unanimously carried that the Minutes of the June 8, 2010 Regular Board meeting be approved, as presented.

WATER CONDITIONS

Steve Stadler, Chief Engineer, summarized a report on water conditions stating storage in the Pine Flat Reservoir (Reservoir) as of 2400 hours on July 11, 2010 was 1,044,723 acre-feet of storage with vacant space of 136,453 acre-feet. On that date, the calculated natural inflow to the Reservoir was 4,305 C.F.S.

DIRECTORS' REPORTS

President McKean reported he attended the International Conference "Toward Sustainable Groundwater in Agriculture" held in Burlingame, California June 15-17, 2010. Director Cehrs distributed articles from the magazine "Science" regarding water shortages throughout the world.

Director Cehrs also reported his attendance at the 2010 Water Technology Conference held May 11-12 at the Clovis Memorial Building and sponsored by the Great Valley Center.

GENERAL MANAGER'S REPORT

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

Mr. Orth reported he attended the International Groundwater Conference in Burlingame and presented an overview of the Upper Kings Basin Integrated Regional Water Management Plan and its role in regional groundwater management.

Organization: Mr. Orth reported Deputy General Manager of Power Resources, John Moore, has tendered his resignation from District employment effective July 9, 2010. Mr. Orth further reported working with Pine Flat and Malaga staff to develop transition plans and establish new lines of authority and communication. Mr. Orth conveyed his confidence that the District has staff expertise and experience to move forward.

1986 Mitigation Lands Trust: Mr. Orth reported the District, Kings River Water Association (KRWA) and the San Joaquin River Group Association purchased land in 1986 as mitigation of a proposed clearing and snagging project along the San Joaquin River and the north fork of the Kings River. The Trustees met on June 22, 2010 to discuss the current status of the land and appurtenant water stock, which has been under lease to the Columbia Canal Company, and possible impacts due to the San Joaquin River restoration program. Mr. Orth further reported the Trustees provided direction to Steve Haugen, KRWA Watermaster, to pursue offers from parties interested in buying the land, and possibly the water stock. The District has a 1/6th interest in this asset.

Power Resources: Mr. Orth reported discussions continue regarding expansion of hydro generation capacity at the Pine Flat Power Plant as well as solar energy with Cleantech America.

Mr. Orth reported the Ad Hoc Flood Maintenance Committee met on July 13, 2010 to discuss current efforts and plans to respond to inspection issues raised by the U. S. Army Corps of Engineers. Mr. Orth further reported a request prepare a system wide improvement plan was recommended to the committee and will be developed then proposed to the Board in August or September.

LEGISLATION

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

AB 1955 (De La Torre) Public officers: incompatible offices: Mr. Orth reported this bill would provide that the members of a legislative body who simultaneously serve on an agency and the legislative body that has declared it to be the agency shall not be deemed to be holding incompatible offices. Mr. Orth further reported the Legislative Committee holds a Not Favor Position.

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 twice in the

Assembly Committee on Appropriations, however, was reintroduced in **SB 2776 (Huffman) Transfers of water: agricultural use to municipal use**. Mr. Orth continued reporting that the Department of Water Resources (DWR) opposes the bill. The committee agreed to take a Not Favor position. The committee will send a letter to the author.

SB 565 (Pavley) Water Resources: Mr. Orth reported that this bill would require a number of fees and give the State Water Resources Control Board additional investigative powers. The Committee expressed concern regarding the language of the bill which discusses unreasonable use of water. Mr. Orth also reported Assemblymen Arambula was the swing vote for moving this out of the Water, Parks and Wildlife committee.

Proposition 18: California Water Bond: Mr. Orth reported Proposition 18 is on the November 2, 2010 ballot in California as a legislatively-referred state statute. The measure is known as the Safe, Clean, and Reliable Drinking Water Supply Act of 2010. If voters approve, the water bond proposition will allow the state government to borrow \$11.1 billion to overhaul the state's water system. Mr. Orth further reported on June 29, 2010 Gov. Arnold Schwarzenegger said that he was going to ask the California State Legislature to remove Proposition 18 from the November ballot. The Governor will need a 2/3rds vote in the legislature to accomplish that objective. The state legislature will have to vote by mid-August on the question of removing Proposition 18 from the ballot if their vote is to have any impact on what does and does not appear on the ballot.

SBx 7-6 Groundwater Monitoring Requirements: and SBx7-7 Water Conservation Requirements: Mr. Orth reported DWR has scheduled ten workshops to discuss implementation guidelines and a series of technical documents developed for implementation of SBx7-6. The documents include protocols for volunteering to be a local reporting agency. DWR plans to have the guidelines finalized by October 2010. Mr. Orth anticipates reviewing with the District and Kings River Water Association, a proposal for the District to serve as the regional reporting entity.

Mr. Orth reported DWR has scheduled workshops for the end of July to discuss SBx7-7 and will also create a task force.

Water Resources Development Act (WRDA): Mr. Orth reported the deadline for 2011 appropriations was missed, however the U.S. Senate Committee on Environment and Public Works staff are willing to work with Senator Boxer's staff to develop language that addresses flood protection with broader fish and wildlife objectives that are associated through the Fisheries Management Program. Mr. Orth further reported working with Steve Haugen of KRWA and Joe Raeder of The Ferguson Group to draft language to authorize the U.S. Army Corps of Engineers to spend money on plans and projects dealing with the Kings River flood issues including vegetation and fisheries management. The result of that collaborative effort will be presented to Senator Boxer's staff on July 15, 2010.

PUBLIC INFORMATION

Cristel Tufenkjian, Manager of Community and Public Relations, presented an overview of the public outreach developed for the Upper Kings Basin Integrated Regional Water Management Authority. Ms. Tufenkjian also summarized the Fisheries Management Program (FMP) Outreach Committee's efforts to update and reprint the "Guide to the Kings River" brochure, and the plans to create a website for the FMP independent of the District's webpage.

CORRESPONDENCE, MEETINGS AND CONFERENCES

Mr. Orth directed the Board to a letter of appreciation from the ACWA/JPIA thanking District staff for their participation in the Best Practices Focus Group.

STAFF STATUS REPORTS AND PRESENTATIONS

Power Resources: Randy Shilling, Deputy General Manager of Business 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 132,808.8 MWh producing total revenue of \$1,035,908.64 for the month of June.

Steve Stadler, Chief Engineer reported the KRCD Malaga Peaking Plant total generation for the month of June was 1,510 MWh.

RECOATING GENERATING UNIT NO.1 WATERWAYS

Mr. Stadler presented an overview of the Request for Proposals for the Recoating of Generating Unit No.1 Waterways at the Jeff L. Taylor Pine Flat Power Plant. Three bids were received that ranged in amounts from \$661,944 to \$779,640. Certified Coatings Company of Concord, California, submitted the lowest bid in the amount of \$661,944.00.

The Board was asked to consider authorizing the General Manager to accept the bid and sign the contract with Certified Coatings Company.

It was moved by Director Waldner, seconded by Director Cehrs and unanimously carried, authorizing the General Manager to sign and deliver the contract with Certified Coatings Company.

ANNUAL REPORT OF REIMBURSEMENTS

Mr. Shilling explained Government Code Section 53065, states each Special District, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district.

The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that District and shall be made available for public inspection. Mr. Shilling presented the Annual Report for the Fiscal Year ending June 30, 2010 for Board review.

It was moved by Director Cehrs, seconded by Director Nonini and unanimously carried, to accept the District's Annual Report of Reimbursements for the Fiscal Year Ended June 30, 2010, in accordance with Government Code Section 53065.

RESOLUTION NO. 10-07

Mr. Shilling presented an overview of the ACWA Health Benefits Authority (HBA) which has sponsored and provided administrative services for employee benefit coverage with insurance carriers for medical, dental, vision, disability, life and employee assistance programs. These programs were all fully insured until 2009. In 2009, after having established sufficient reserves in the medical PPO program and maintaining large group enrollment numbers in the medical and dental PPO programs, these programs were converted to a self-funded platform.

The HBA has prepared an amended and restated Joint Powers Agreement (JPA) to govern the program and the Board was asked to consider authorizing the ratification by approving Resolution No. 10-07.

It was moved by Director Yoshimoto, seconded by Director Cehrs and unanimously carried adopting Resolution No. 10-07 authorizing ratification of the Amended and Restated Association of California Water Agencies Health Benefits Authority Bylaws and Joint Powers Authority Agreement.

BUDGET AUGMENTATION

Mr. Shilling presented for Board consideration an augmentation to the Fiscal Year 2009-2010 Budget. Mr. Shilling explained that to budget for the actual cost of the recently completed major maintenance at the Malaga Peaking Plant an increase in expenses of \$816,467.92 and a corresponding increase in revenues of \$816,467.92 was necessary.

It was moved by Director Waldner, seconded by Director Yoshimoto and unanimously carried, to approve and authorize the General Manager to execute an augmentation to the Fiscal Year 2009-2010 Budget.

FINANCE AND ADMINISTRATION

Mr. Shilling presented an expenditure to budget comparison report for the period ending June 30, 2010.

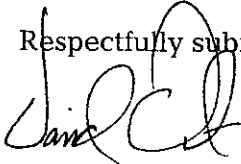
It was moved by Director Cehrs, seconded by Director Yoshimoto and unanimously carried, bills in the amount of \$1,867,609.16 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

CLOSED SESSION

President McKean announced there was no need for a closed session.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 2:57 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. 10-07

**AUTHORIZATION TO RATIFY THE AMENDED AND RESTATED
ASSOCIATION OF CALIFORNIA WATER AGENCIES
HEALTH BENEFITS AUTHORITY (ACWA HBA)
BYLAWS AND JOINT POWERS AUTHORITY AGREEMENT**

WHEREAS, the Association of California Water Agencies Health Benefits Authority (ACWA HBA) provides health benefits to its members; and

WHEREAS, ACWA HBA has introduced a self-insured/self-funded platform for its medical and dental preferred provider organization programs, requiring greater fiduciary responsibilities of its Trustees and the advisory bodies to the Trustees; and

WHEREAS, the ACWA HBA Bylaws and Joint Powers Authority (JPA) Agreement have been redrawn to strengthen the ACWA HBA structure in fulfilling its fiduciary responsibility to the participating membership; and

WHEREAS, the ACWA HBA Board of Trustees adopted the Amended and Restated Bylaws and JPA Agreement on May 4, 2010; and

WHEREAS, the ACWA HBA Board of Trustees requires the endorsement of said Bylaws and JPA Agreement by member agencies; and

WHEREAS, the Kings River Conservation District is a member of ACWA HBA and currently participates in the ACWA HBA program(s) to provide benefits to its employees; and

WHEREAS, the Agency has considered the Amended and Restated ACWA HBA Bylaws and JPA Agreement having an effective date of June 1, 2010, and finds it in the best interest of the Agency to approve the Amended and Restated ACWA HBA Bylaws and to remain a party to said JPA Agreement; and

WHEREAS, the Agency hereby adopts the Amended and Restated ACWA HBA Bylaws and JPA Agreement;

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

1. The foregoing recitals are true and correct.
2. The Bylaws and Agreement referred to in the recitals above are incorporated in the resolution by reference.

- a. The President shall sign the Ratification of the Amended and Restated ACWA Health Benefits Authority Bylaws and Joint Powers Agreement (Exhibit 1) in the name of the Agency to be effective as to this Agency on the date of this resolution.

THE FOREGOING RESOLUTION was passed and adopted by the Board of Directors of the Kings River Conservation District this 13th day of July 2010, by the following vote:


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

NOES: None

ABSENT: Vice President Graham, Director Howe



President

ATTEST: 

Secretary

KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented July 13, 2010
 (For Expenditures in the Month Ending June 30, 2010)

Employee Payroll	06/07/10	45.63	
Director's Payroll	06/08/10	4,773.93	
Employee Payroll	06/09/10	78,698.32	
Employee Payroll	06/23/10	77,196.46	
			160,714.34
Accounts Payable (KRCD)		1,607,104.26	1,607,104.26
	Sub-Total		1,767,818.60
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	06/02/10		32,473.61
Director's Tax Deposits	06/11/10		2,199.59
Employee Tax Deposits	06/16/10		33,241.39
Employee Tax Deposits	06/30/10		31,875.97
	TOTAL		<u>1,867,609.16</u>