

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District held November 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
Ceil W. Howe, Jr.
Gildo Nonini
Alvin J. Quist
Norman B. Waldner

DIRECTORS ABSENT

Masaru Yoshimoto

OTHERS PRESENT

KRCD Staff & Consultants:

David Cone
Randy McFarland
John Moore
David Orth
Donna Pepper
Diane Ruble
Randy Shilling
Brian Trevarrow
Cristel Tufenkjian

Others:

Jeff Adolph, Pacific Gas & Electric Co.
Lisa Bischel, Madrid-Salazar Marketing & PR
Fausto Hinojosa, Price, Paige & Company
Elaine H. Ko, Price, Paige & Compnay

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, seconded by Director Nonini and unanimously carried that the Minutes of the October 14, 2008 Regular Board meeting be approved, as presented.

WATER CONDITIONS

David Cone, Deputy General Manager, Water/Environmental Resources and Flood Control, summarized a report on water conditions stating storage in the Pine Flat Reservoir (Reservoir) as of 2400 hours on November 13, 2008 was 175,167 acre-feet with vacant space of 1,018,833 acre-feet. On that date, the calculated natural inflow to the Reservoir was 538 C.F.S.

DIRECTORS' REPORTS

President McKean request a moment of silence be observed for long time employee, Jack Sinor, who recently passed away, and who served the District for twenty-three (23) years in many important roles, including Assistant General Manager.

ANNUAL AUDIT REPORT

Mr. Fausto Hinojosa, Certified Public Accountant, Price, Paige & Company CPAs, presented an overview of the results of the independent audit for fiscal year ended June 30, 2008. Mr. Hinojosa reported the audit was conducted in accordance with Generally Accepted Accounting Principles as determined by the Government Accounting Standards Board, and he reported further that an unqualified "clean" audit opinion letter was issued. Mr. Hinojosa discussed a few items from the financial statements and answered questions from the Board.

GENERAL MANAGER'S REPORT

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

Organization: Mr. Orth introduced Steve Stadler, Chief Engineer who began his employment in that position on October 27, 2008. Mr. Orth reported the November 2008 election for the Board of Directors resulted in three (3) incumbents being appointed for another four (4) year term, and one (1) newly elected Director to the At Large position. Mr. Orth further reported the term begins December 5, 2008 and the Directors and Divisions represented are:

Division II: Director Masaru Yoshimoto
 Division IV: Director Mark McKean
 Division VI: Director Ceil Howe Jr.
 At Large: Director David Cehrs

Community Choice Aggregation (CCA): Mr. Orth reported the expected forecast of energy rates were announced by Pacific Gas & Electric Company (PG&E) and Southern California Edison (SCE). Mr. Orth further reported Navigant Consulting, Inc. reports the forecast by PG&E reflects an approximate 2 % increase in generation cost, and SCE generation costs are up 11.7%. Mr. Orth also reported reviewing the forecasts with Navigant and CitiGroup Energy Inc. and will be reported to the ad hoc Power Committee.

CCA Bond: Mr. Orth reported the California Public Utilities Commission has scheduled a workshop to further discuss the appropriate amount (CCA Bond) required to cover certain risks of returning aggregated customers back to bundled services of the Investor Owned Utilities. Mr. Orth further reported the workshop will be attended by himself, the Authority's legal counsel, and consultants on the project.

LEGISLATION

David Orth, General Manager, reported the Kings River Legislative Committee reviewed several legislative issues involving water resources, and groundwater quality. Mr. Orth further reported various Kings River interests continue to meet and discuss water resource issues which may be addressed by the state legislature in 2009. These issues include conservation (water use efficiency), measurement, pricing and groundwater management.

Mr. Orth also reported that he, Steve Haugen, KRWA Watermaster, Chris Kapheim, Alta Irrigation District, and Jack Gualco met with Senate President pro Tempore-elect Darrell Steinberg, Chairman of the Senate Natural Resources and Water Committee, to discuss Kings River resource management. Mr. Orth reported discussions included groundwater management, fishery management program, the Upper Kings River Water Forum Integrated Regional Water Management Plan, and details of the Southern San Joaquin Valley Water Quality Coalition.

Mr. Orth reported a tour is being coordinated for staff representing Assembly member Jared Huffman, incoming Chairman of the Assembly Water, Parks & Wildlife Committee, and other legislative staff. Mr. Orth continued reported the tour schedule for November 21, 2008 includes site visits to the Fresno Weir, the Harder Groundwater Recharge Project, and a meeting with Alta Irrigation District Board Member, Jerry Halford.

PUBLIC INFORMATION

Cristel Tufenkjian, Manager of Community and Public Relations, provided a status report on activities for October 2008 including a plan to develop a water display for the 2009 Big Fresno Fair. Ms. Tufenkjian explained the display would include interactive components for children and adults to educate the community on the local water system.

Ms. Tufenkjian reported attending an ACWA Communications Committee and Strategic Plan Implementation Subcommittee to support ACWA's strategic plan. Ms. Tufenkjian stated that the subcommittee is investigating partnering with National Geographic to create a magazine to educate the population about water and what it means to them, their families, and their future.

CORRESPONDENCE, MEETINGS AND CONFERENCES

General Manager Orth advised the Board on the following Correspondence, Meeting and Conferences:

- a. Association of California Water Agencies, letter dated October 6, 2009 regarding the increase of membership dues.

STAFF STATUS REPORTS AND PRESENTATIONS

Water/Environmental Resources and Flood Control: David Cone, Deputy General Manager, Water/Environmental Resources and Flood Control reported the Weather Modification Program for the 2008-2009 season will begin November 16, 2008. Mr. Cone also reported the 7th Trout Release Group tracking was completed and the telemetry data is currently being analyzed to prepare the final report.

Power Resources: Mr. John Moore, Manager of Power Generation, presented an overview of operations at the Jeff L. Taylor Pine Flat Power Plant reporting there was no generation at the plant during October due to the end of the irrigation season and the beginning of our annual maintenance period. Mr. Moore also reported Unit 3 was available the entire month and Unit 1 was taken out of service on the October 29, 2008 to allow penstock coating repairs.

Mr. Moore provided an overview of Pine Flat Reservoir which began the month at an elevation of 727.06 feet (ft.) and storage of 121,140 acre-feet (AF). As of November 1, 2008 the reservoir elevation was 724.72 ft. and storage was 122,420 AF, and there was no turbine discharge for the month. Discharge through the turbine bypass system was 5,449 AF, and flow from Mill and Hughes Creeks was zero with spill from the dam of 9,689 AF.

Malaga Peaking Plant: Mr. Moore presented an overview of operations at the Malaga Peaking Plant reporting the plant was dispatched for 13 days in October 2008, and the plant generated a total of 1,028.9 MWh.

Mr. Moore also reported attending a Benchmark Workshop conducted by Navigant Consulting, Inc. The results of the study concluded the Jeff L. Taylor Pine Flat Power Plant is the leading performer in the category of Operations for mid-size hydroelectric power plants with staffed control rooms. Performance for this study is based on total operational costs for each power plant divided by the number of generating units.

RESOLUTION 08-11

President McKean requested to adopt Resolution No. 08-11 commending Alvin J. Quist for his service to the District. President McKean stated Director Alvin J. Quist served on the District's Board for twenty-one (21) years, representing the District with exemplary leadership.

It was moved by Director Waldner, seconded by Director Nonini and unanimously carried, to approve Resolution 08-11 commending Director Alvin J. Quist for his service to the District.

Director Quist addressed the board, stating it was his honor to represent the Kings River service area in the pursuit of sound resource management policy during his tenure, including the successful battle to remove the Kings River service area from Reclamation Law under the Reclamation Reform Act of 1982, and also to provide policy guidance for the Pine

Flat Power Plant revenue sharing agreement. Director Quist continued that those accomplishments will be considered highlights in his many years as a Board of Director for the Kings River Conservation District.

FINANCE AND ADMINISTRATION:

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

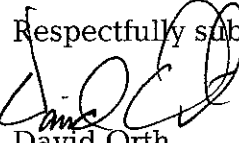
It was moved by Director Nonini, seconded by Director Howe and unanimously carried, bills in the amount of \$3,653,066.00 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

CLOSED SESSION

President McKean reported the closed session listed as Agenda Item #10 has been canceled.

ADJOURNMENT

There being no further business, President McKean adjourned the meeting at 2:30 P.M.

Respectfully submitted,

David Orth
Secretary


Approved

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

RESOLUTION NO. 08-11

RESOLUTION IN COMMENDATION OF ALVIN J. QUIST

WHEREAS, on November 13, 2008, Alvin J. Quist is being honored for his twenty-one years of dedicated service as a Director on the Kings River Conservation District's Board of Directors; and

WHEREAS, Alvin J. Quist served as President of the District's Board of Directors from 1997-2002, providing exemplary leadership and gaining the respect of fellow Directors and District staff; and

WHEREAS, Alvin J. Quist has been actively involved with local and statewide water and agricultural organizations, including the Association of California Water Agencies, Kings River Water Association, Fresno Irrigation District, Mid-Valley Water Authority, Fresno County Farm Bureau and the California Milk Advisory Board; and

WHEREAS, Alvin J. Quist has represented the Kings River service area in the pursuit of sound water policy including successfully battling to remove the Kings River service area from Reclamation Law under the Reclamation Reform Act of 1982; and

WHEREAS, Alvin J. Quist provided policy guidance to District staff on activities including on-farm water conservation, flood control, groundwater management, power generation, fisheries management, and supported projects to increase surface and groundwater supplies; and

WHEREAS, Alvin J. Quist through his leadership has helped shape the District into a leading resource management agency;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Kings River Conservation District commends Alvin J. Quist for his leadership and contributions to the District and the entire Kings River service area.

THE FOREGOING RESOLUTION was passed and adopted by the Board of Directors of the Kings River Conservation District this thirteenth day of November 2008, by the following vote:

- AYES: President McKean, Vice President Graham, Directors Howe, Nonini, and Waldner
- NOES: None
- ABSENT: Director Yoshimoto


President

ATTEST: 
Secretary

KINGS RIVER CONSERVATION DISTRICT
 Schedule of Disbursements and Current Accounts Payable
 Presented December 9, 2008
 (For Expenditures in the Month Ending November 30, 2008)

Employee Payroll	11/12/08	83,706.07	
Director's Payroll	11/13/08	5,428.78	
Employee Payroll	11/26/08	87,482.94	
			176,617.79
Accounts Payable (KRCD)		1,340,072.50	1,340,072.50
	Sub-Total		1,516,690.29
Ready-Tax Electronic Funds Transfers:			
Employee Tax Deposits	11/05/08		34,570.49
Director's Tax Deposits	11/19/08		1,244.86
Employee Tax Deposits	11/19/08		33,235.33
	TOTAL		<u>1,585,740.97</u>

