

# Kings River Conservation District

## Meeting of the Board of Directors

**Date & Time:** June 12, 2018 at 1:30 p.m.      **Location:** Kings River Conservation District Offices

**Called to Order:** 1:30 p.m.      **Adjourned:** 3:27 p.m.

**Attendees:** **Directors:**, D. Paul Stanfield (Vice President), Gregory Beberian, Ceil W. Howe Jr., Mark McKean, Norman B. Waldner, Mike Yoshimoto  
**KRCD Staff:** David Merritt, Christine Simon (Assistant Secretary), Paul G. Peschel (Secretary), Randy Shilling, Brian Trevarrow, Cristel Tufenkjian, Eric Osterling, Charlotte Gallock  
**Consultants & Others:** Steven Haugen (Kings River Water Association)

**Absent:** David Cehrs, Ph.D. (President)

### Minutes

#### 1. Additions or Deletions from the Agenda

**Presenter:** Vice President Stanfield

Discussion:

Agenda item "Closed Session" was removed from the agenda.

Actions:

None.

#### 2. Public Presentations or Comments

**Presenter:** Vice President Stanfield

Discussion:

None.

Actions:

None.

#### 3. Approval of the Minutes

**Presenter:** Vice President Stanfield

Discussion:

None.

Actions:

It was moved by Director Howe, seconded by Director Waldner, and carried by Directors Beberian, Howe, McKean, Stanfield, Waldner and Yoshimoto that the Minutes of the May 1, 2018 Regular Board meeting be approved.

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**4. Water Conditions**
**Presenter: Steve Haugen**
**Discussion:**

Kings River Water Association (KRWA) Watermaster Steve Haugen summarized a report on water conditions stating that the total storage available to KRWA units in Pine Flat Reservoir as of 2400 hours on June 10, 2018 was 1,025,432 acft with a vacant space of 168,568 acft. On that date, the calculated natural inflow to the Reservoir was 3,207 cfs. Storage is being released from Pine Flat Dam by approximately 6,090 cfs.

According to current weather trends, snowpack and irrigation demands, KRWA anticipates approximately 200,000-280,000 acft storage of water in Pine Flat Reservoir at the end of the year and does not expect the United States Army Corps of Engineers (USACE) will order flood releases. The Board discussed climate change models regarding forecasting Kings River precipitation.

**Actions:**

None.

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**5. Directors' Reports**
**Presenter: Vice President Stanfield**
**Discussion:**

Director McKean announced that the North Fork Kings (NFK) Groundwater Sustainability Agency (GSA) held a successful Prop 218 election, with a 94% approval rate. McKean thanked KRCD staff involved.

Director Yoshimoto reported on the ACWA Spring 2018 conference and highlighted the Central Valley Project history presented by US Bureau of Reclamation and a workshop on groundwater metering and recharge efforts.

Director Beberian reported on the ACWA Spring 2018 conference and discussed underwater ground storage (recharge banks) versus above-ground storage (reservoirs). Beberian asked if the District could work with legislators to streamline a permitting process to expedite these projects. Staff referenced the work of the Kings River Legislative Committee, who leads these efforts on behalf of KRWA and KRCD, and the efforts of Assemblymember Dr. Joaquin Arambula to identify water recharge as a beneficial use.

**Actions:**

None.

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**6. Staff Reports**
**Presenter: Paul Peschel**
**Discussion:**

**Paul Peschel, General Manager;** provided updates to supplement his written report to the Board. Reported items included Water Resources Development Act (WRDA) of 2018, the Farm Bill (H.R. 2), Senator Kamala Harris' *Water Affordability Act of 2018*, energy generation, governmental appointments and the results of the June 2018 primary election.

**Cristel Tufenkjian, Director of External Affairs;** reported on the successful Prop 218 elections for the McMullin Area GSA and North Fork Kings GSA. The South Fork Kings GSA is conducting their hearing on June 21, 2018. Tufenkjian explained future stakeholder outreach for the GSAs, the Fisheries Management Program and FERC relicensing.

**Eric Osterling, Deputy General Manager of Water Resources;** reported on Australian water marketing strategy being promoted by an economist named Mike Young and pros and cons of it being a model to emulate for the Kings River service area. Mike Young is expected to return to the San Joaquin Valley in July 2018 to speak on the same topic to reach a larger stakeholder group. The Tulare Lake Subbasin GSAs are expected to have an annotated outline of the Groundwater Sustainability Plan at the end of June, with a preview meeting in mid-July 2018. Osterling introduced the new Manager of Water Resources, Charlotte Gallock, and announced his resignation. Osterling accepted a General Manager position with the Greater Kaweah GSA and thanked the Board for their support during his ten-year tenure at KRCD. His last day is July 16, 2018.

**Charlotte Gallock, Manager of Water Resources;** summarized Kings River Water Quality Coalition, State Water Resources Control Board (SWRCB) and Central Valley Regional Water Quality Control Board (CVRWQCB) meetings and activities conducted since the last KRCD Board meeting. Gallock reported that SWRCB Enforcement activities decreased for 2016 reports, but staff expects enforcement activities to begin in the fall for members that did not submit required 2017 reports. In addition to surface water quality sampling conducted on four sites, a drain water survey was also conducted demonstrating no anomalies present in the samples.

**David Merritt, Deputy General Manager;** presented information regarding the Jeff L. Taylor Power Plant at Pine Flat Dam, Federal Energy Regulatory Commission (FERC) relicensing process. The Power Plant generated 78,703.1 MW. KRCD executed a contract with Calaveras Trout farm to support the Fisheries Management Program, Supplemental Stocking Plan. KRCD is working with KRWA's Fish & Game Committee to extend the Fishery Management Program's Framework Agreement funding, set to expire May 2019. The Board discussed the results of electrofishing surveys and the diversity of fish in the Kings River.

**Randy Shilling, Deputy General Manager;** announced an upcoming Board Ethics workshop scheduled for July 10 at 10:30-12:30pm, required for Board members every two years, and drew the Board's attention to the completed fence project.

Actions:

None.

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## 7. Resolution No. 18-01 Consolidation of Elections

**Presenter: Randy Shilling**

Discussion:

Shilling presented Resolution No. 18-01 indicating that Director positions for divisions 1, 3, and 5 are up for election in November 2018 and handed out candidate filing notices provided by Tulare County for their reference.

Actions:

It was moved by Director McKean, seconded by Director Howe, and carried by Directors Beberian, Howe, McKean, Stanfield, Waldner and Yoshimoto to adopt Resolution No. 18-01 Consolidation of Elections.

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<b>8. Annual Review of District's Statement of Investment Policy</b>	<b>Presenter: Randy Shilling</b>
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**Discussion:**

Shilling presented the Investment Policy for the Board's consideration. The Policy was last updated in 2013.

**Actions:**

It was moved by Director Howe, seconded by Director Stanfield, and carried by Directors Beberian, Howe, McKean, Stanfield, Waldner and Yoshimoto to approve the District's Statement of Investment Policy.

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<b>9. Resolution No. 18-02 Corporate Authority Certificate and Trading Authorization for Brokerage Accounts</b>	<b>Presenter: Randy Shilling</b>
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**Discussion:**

Shilling summarized prior Board discussion regarding opening an additional investment account and explained the Request for Proposal (RFP) process. Out of the three proposals received, the KRCD Budget Committee recommends the Board select JP Morgan Securities. Shilling clarified the Board's policy regarding authorizing transfers on behalf of the District.

**Actions:**

It was moved by Director McKean, seconded by Director Howe, and carried by Directors Beberian, Howe, McKean, Stanfield, Waldner and Yoshimoto to adopt Resolution 18-02 Corporate Authority Certificate and Trading Authorization for Brokerage Accounts.

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<b>10. Fiscal Year 2018-2019 Budget and Strategic Plan</b>	<b>Presenter: Randy Shilling Paul Peschel</b>
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**Discussion:**

Peschel presented the FY2018-2019 Strategic Plan and explained how the Plan will be incorporated into employee Performance Evaluation Plans.

Shilling presented the FY2018-2019 budget for Board approval, with the recommendation of the KRCD Budget Committee, and summarized FY2017-2018 activities that affect the FY2018-2019 Budget. In particular, Shilling stated that the Committee recommended not putting additional monies into the revenue stabilization fund and that the Budget assumes less revenue than projections indicate, taking a conservative approach.

**Actions:**

It was moved by Director Yoshimoto, seconded by Director Howe, and carried by Directors Beberian, Howe, McKean, Stanfield, Waldner and Yoshimoto to approve the FY2018-2019 Budget and Strategic Plan.

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<b>11a. Financial Report: Budget Expenditures</b>	<b>Presenter: Randy Shilling</b>
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**Discussion:**

While reviewing the Financial Report, as detailed in the agenda packet, Shilling explained that as of May 31, 2018, the fiscal year is 92% complete and only 52% of the budget has been spent. Shilling explained some grant expenses budgeted in FY2017-2018 will occur in FY2018-2019 instead. The Board discussed Other Postemployment Benefits (OPEB) liability funding and Shilling explained that an actuarial evaluation of the District's OPEB liability will be included in the Auditor's presentation at an upcoming Board meeting (in October or November of 2018).

**Actions:**

None.

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**11b. Review of Monthly Disbursements**
**Presenter: Director Beberian**
**Discussion:**

Beberian reported that he reviewed the bills, found them to be in order, and recommended that they be approved.

**Actions:**

It was moved by Director Beberian seconded by Director Yoshimoto and unanimously carried by Directors Beberian, Howe, McKean, Stanfield, Waldner, and Yoshimoto that bills in the amount of \$859,122.00, as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

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**Other Items for Discussion**
**Presenter: Vice President Stanfield**
**Discussion:**

None.

**Actions:**

None.

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**Adjournment**
**Adjourned: 3:27 p.m.**

Submitted by:

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Paul G. Peschel  
Board Secretary

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Board President approved on July 10, 2018

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

**RESOLUTION NO. 18-01**

**ORDERING EVEN-YEAR BOARD OF DIRECTORS  
ELECTION; CONSOLIDATION OF ELECTIONS; AND  
SPECIFICATIONS OF THE ELECTION ORDER**

**WHEREAS**, California Elections Code requires a general district election be held in each district to choose a successor for each elective officer whose term will expire on the first Friday in December following the election to be held on the first Tuesday after the first Monday in November in each even-numbered year; and

**WHEREAS**, other elections may be held in whole or in part of the territory of the district, and it is to the advantage of the district to consolidate pursuant to Elections Code Section 10400; and

**WHEREAS**, Elections Code Section 10520 requires each district involved in a general election to reimburse the county for the actual costs incurred by the county elections official in conducting the election for that district; and

**WHEREAS**, Elections Code Section 13307 requires that before the nominating period opens, the governing body must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; and

**WHEREAS**, Elections Code Section 12112 requires the elections official of the principal county to publish a notice of the election once in a newspaper of general circulation in the district;

**NOW, THEREFORE, IT IS ORDERED** that an election be held within the territory included in this district on the 6<sup>th</sup> day of November, 2018, for the purpose of electing members to the board of directors of said district in accordance with the following specifications:

**SPECIFICATIONS OF THE ELECTION ORDER**

1. The Election shall be held on Tuesday, the 6<sup>th</sup> day of November, 2018. The purpose of the election is to choose members of the board of directors for the following seats:
  - a) Division I, Director, for a term of four-years from 2018 through 2022.
  - b) Division III, Director, for a term of four-years from 2018 through 2022.
  - c) Division V, Director, for a term of four-years from 2018 through 2022.
2. This governing board hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the district, as provided in Elections Code 10400.
3. The district will reimburse the county for the actual cost incurred by the county elections official in conducting the general district election upon receipt of a bill stating the amount due as determined by the elections official.

4. The district has determined that the Candidate will pay for the Candidate's Statement. The Candidate's Statement will be limited to 200 words.

5. The district directs that the County Registrar of Voters of the principal county (Fresno) publish the notice of election in the following newspaper, which is a newspaper of general circulation that is regularly circulated in the territory: The Fresno Bee.

**THE FOREGOING RESOLUTION** was passed and adopted by the Board of Directors at the Regular Meeting of the Board of Directors of the Kings River Conservation District on this 12<sup>th</sup> day of June 2018, by the following vote:

AYES: Vice-President Stanfield, Directors Howe, McKean, Beberian, Waldner, and Yoshimoto

NOES: None

ABSENT: President Cehrs

ATTEST:   
Secretary

  
President

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

**RESOLUTION NO. 18-02**

**DESIGNATING JP MORGAN  
AS DEPOSITORY OF DISTRICT FUNDS  
AND AUTHORIZING SIGNATORIES**

**WHEREAS**, the Board of Directors of the Kings River Conservation District (District), under the authority of the District Act, must designate a depository of the District funds to have custody of said funds, therefore;

**RESOLVED**, that Kings River Conservation District (the "Corporation") is hereby authorized and directed to establish and maintain one or more accounts (each, an "Account"), and to engage in any of the transactions hereinafter described, in each case, with or through J.P. Morgan Securities LLC, J.P. Morgan Securities plc and/or any of their now or hereafter existing affiliated entities (collectively, "JP Morgan"), through an Account or otherwise, with JP Morgan acting as principal or agent in such transactions;





**RESOLVED**, that the Corporation is hereby authorized and empowered to purchase (including on a forward or when-issued basis or on margin) hold, finance, pledge, exercise, convert, tender, redeem, exchange, transfer, assign, sell (including on a short, when-issued or forward basis), enter into, write, issue, terminate, amend and otherwise deal and trade, singly or in combination, in the following: any and all forms of securities, evidences of interest, participation, or indebtedness, instruments of any issuer (whether publicly registered or exempt from registration) transactions and investments, including, but not limited to common or preferred stock, scrip, warrants and rights; bills, notes, bonds or debentures of any coupon, (including "zero coupon" or maturity; certificates of deposit, bank notes or deposit notes; commercial paper, money market instruments; listed and/or over-the-counter options, commodities, commodity futures, options on futures (including single stock futures contracts and other securities futures products), transactions in foreign currencies; limited partnership interests and other interests in hedge funds, buyout funds, real estate investment trusts, venture capital funds, private equity funds and private equity investment vehicles; whole mortgage loans, any and all interests and participations in mortgage loans, mortgage-backed and asset backed securities; any kind of derivative investment, including interest rate, currency, credit, equity or other swap transactions; repurchase and reverse repurchase transactions, buy/forward sale transactions, dollar rolls, secured lending transactions and any instrument or interest generally regarded as an investment or hedge, secured or unsecured, or any transaction, that is similar to any of those described above (including an option with respect to any of them) (each of the foregoing, an "Activity");

**RESOLVED**, that each of the directors, officers, employees and agents of the Corporation listed below ("each, an Authorized Person") is hereby individually authorized for and on behalf of the Corporation by oral, written, electronic or other means to: (1) give to and receive from JP Morgan oral, written or electronic instructions, confirmations, notices or demands with respect to any Account, Activity or transaction; (2) bind the Corporation to enter into and perform any transaction or agreement, amendment or modification thereof, relating to



any Account, Activity or transaction involving the Corporation; (3) lend or borrow money or securities and secure the repayment thereof with the property of the Corporation; (4) pay in cash or by check or by credit or debit card or draft drawn upon the funds of the Corporation any sums required to be paid in connection with any Account, Activity or transaction; (5) order the transfer of record of any securities, funds or other property to any name and to accept delivery of any securities, funds or other property; (6) direct the sale or exercise of any rights with respect to any securities or other property; (7) agree to any terms or conditions or execute or otherwise assent to any document or agreement affecting any Account, Activity or transaction; (8) endorse any securities or other property in order to pass title thereto (or any interest therein); (9) direct JP Morgan to surrender any securities or other property for the purpose of effecting any exchange or conversion thereof; (10) appoint any other person or persons to do any and all things which such director, officer, employee or agent of the Corporation is hereby empowered to do; and (11) generally, take all such action as such director, officer, employee or agent of the Corporation may deem necessary or desirable to implement or facilitate the trading activities described herein;

#### AUTHORIZED PERSONS

<u>Name of Director, Officer or Employee of Corporation or Agent</u>	<u>Title / Position</u>	<u>Specimen Signature</u>
David Cehrs	President	
D. Paul Stanfield	Vice President	
Paul G. Peschel	General Manager	
Randy Shilling	Auditor	

**RESOLVED**, that each of the Authorized Persons listed above is hereby individually authorized, for and on behalf of the Corporation, to execute or otherwise assent to or enter into on behalf of the Corporation all agreements, confirmations, releases, assignments, powers of attorney or other documents in connection with any Account, Activity or transaction, including without limitation, to execute and deliver instructions to JP Morgan to receive or deliver funds or securities, whether free or versus payment, or trade or non-trade related (including to any Authorized Persons);

**RESOLVED**, that notwithstanding the foregoing resolutions, any person with actual or apparent authority is authorized and empowered by the Corporation to undertake any Activity;

**RESOLVED**, that all actions previously taken by any director, officer, employee, Authorized Person or agent of the Corporation in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation;

**RESOLVED**, that, JP Morgan may rely on the certifications, representations, warranties, and agreements contained in this Certificate until the close of business on the second business day after JP Morgan receives written notice of the modification or revocation thereof at its offices at Client Services NY1-C086, Four MetroTech Center, Brooklyn, New York 11245-0001 marked to the attention of: (i) Global Clearing Services-New Accounts (if the Corporation's

account is maintained by the Global Clearing Services Department and the Corporation engages in equities/prime brokerage), (ii) Fixed Income Clearing Services Managing Director (if the Corporation's account is maintained by the Global Clearing Services Department and the Corporation engages in fixed income trading) and (iii) Documentation Department (if the Corporation's account is maintained by the Private Client Services Department or any other JP Morgan department) or any other address that has been provided by JP Morgan specifically for such purpose and in each case with a copy to the Corporation's account executive or relationship manager(s) at JP Morgan, provided, that JP Morgan may rely on such certifications, representations, warranties, covenants and agreements with respect to any transaction entered into prior to the effectiveness of such modification or revocation;

**RESOLVED**, that, JP Morgan, their successors and assigns and their respective affiliates, directors, officers, agents and employees (the "Released Parties") are hereby released and forever discharged from, and against, any and all liabilities, responsibilities, obligations, claims, costs, damages, expenses (including attorneys' fees and expenses), penalties judgments or awards incurred or suffered by the Released Parties in connection with their reliance on this Certificate; the Corporation acknowledges that the release and discharge set forth herein are in addition to, and in no way limit or restrict, any rights which any of the Released Parties may have under any other agreement(s) between the Corporation and any of the Released Parties or under any federal or state statutes, laws, rules or regulations; and agree that this release and discharge shall survive the revocation of this Certificate with respect to transactions entered into prior to the effectiveness of such revocation;

**RESOLUTION** was passed and adopted by the Board of Directors of the Kings River Conservation District this 12th day of June 2018, by the following vote:

AYES: Vice-President Stanfield, Directors Howe, McKean, Beberian, Waldner, and Yoshimoto

NOES: None

ABSENT: President Cehrs

  
Vice President

ATTEST:

  
Secretary

SECRETARY'S CERTIFICATE

I, Paul G. Peschel, P.E., 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 12th day of June 2018, 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 12th day of June 2018.

  
Secretary

(Seal)



KINGS RIVER CONSERVATION DISTRICT  
Schedule of Disbursements and Current Accounts Payable  
Presented June 12, 2018  
(For Expenditures in the Month Ending May 31, 2018)

Director's Payroll	05/01/18	2,921.15	
Employee Payroll	05/02/18	91,027.03	
Employee Payroll	05/16/18	91,807.96	
Employee Payroll	05/30/18	99,958.17	
			285,714.31
Accounts Payable (KRCD)		491,381.06	491,381.06
	Sub-Total		777,095.37
Ready-Tax Electronic Funds Transfers:			
Director's Tax Deposits	05/04/18		929.59
Employee Tax Deposits	05/09/18		40,205.70
Employee Tax Deposits	05/23/18		40,891.34
	TOTAL		<u>859,122.00</u>