

Minutes of the Regular Meeting of the Board of Directors of the Kings River Conservation District (District) held February 12, 2019 at the District offices.

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

DIRECTORS PRESENT

Paul Stanfield, President
 Gregory Beberian, Vice President
 Ceil W. Howe Jr.
 Mark C. McKean
 David Cehrs
 Chris Kapheim
 Mike Yoshimoto

DIRECTORS ABSENT

None.

OTHERS PRESENT

KRCD Staff

Paul Peschel
 Sandra Soares
 David Merritt
 Randy Shilling
 Brian Trevarrow
 Cristel Tufenkjian
 Charlotte Gallock
 Eric Athorp

Consultants & Others

Steve Haugen, Kings River Water Association
 Matt Meadows, Kings River Water Association
 Todd Flanagan, North American Weather Consultants
 Scott Sills, Laguna Irrigation District
 Saint Joseph Thao, Kings River Water Association

ADDITIONS TO OR DELETIONS FROM THE AGENDA

It was moved by Director Howe, seconded by Director Cehrs, and unanimously carried that Item # 8(b): Endorsement of the Laguna Irrigation District Laton North Recharge Project to Compete for Funding Under the Round 1 Proposition 1 IRWM Implementation Grant Program be added to the agenda.

(AYES: President Stanfield, Vice-President Beberian, Directors McKean, Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: None)

PUBLIC PRESENTATIONS

None.

APPROVAL OF MINUTES

It was moved by Director McKean, seconded by Director Kapheim, and unanimously carried that the Minutes of the January 8, 2019 Regular Board meeting be approved, as presented.

(AYES: President Stanfield, Vice-President Beberian, Directors McKean, Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: None)

WATER CONDITIONS

Water Conditions: Steve Haugen, Kings River Water Association (KRWA), summarized a report on water conditions stating total storage available to KRWA units in Pine Flat Reservoir (Reservoir) as of 2400 hours on February 10, 2019 was 464,293 AF with the Reservoir having a vacant space of 729,707 AF. On that date, the calculated natural inflow to the Reservoir was 2,329 cfs.

Mr. Haugen also presented snow sensor readings taken from the Kings watershed on January 7, 2019.

Weather Conditions: Todd Flanagan, North American Weather Consultants, presented an overview of the recent weather conditions and the 2018-2019 Precipitation Augmentation Program, reporting that January saw several storms move through the State, though the latter part of the month was drier. Parts of the San Joaquin Valley saw below normal precipitation for the month. January also marked the third month of the 2018-19 cloud seeding program.

DIRECTORS' REPORTS

Director Cehrs: Director Cehrs presented pictures of snow and ice cover in the Sierras.

Director Cehrs reported on the ACWA Board Meeting. In the Board meeting, Cindy Tuck reported that the Association of California Water Agencies (ACWA) is attempting to steer legislation, to address Disadvantaged Communities (DACs) potable water concerns, toward a trust fund solution rather than the use of a water tax. The intent is to fund the trust with State surplus revenues. The ACWA Board also discussed the previously defeated Monning Bill, which would have implemented a water tax. The Monning Bill also contained agricultural regulatory relief that is now considered dead upon arrival if reintroduced in a bill. The ACWA Board is developing a revised Strategic Plan 2025+ +. Strategic Plan concepts discussed included climate change, and hydroelectric power. Director Cehrs noted that Dave Eggerton is the new ACWA Executive Director, and he would like him invited to the Valley for multiple, smaller meetings with various local interests in Regions 6 and 7.

STATUS REPORTS AND PRESENTATIONS

General Manager: Paul Peschel, General Manager, directed the Board to his written report on local, State, and Federal legislative and regulatory matters that could affect the Board's decisions.

In addition to his written report, Mr. Peschel highlighted that Gavin Newsom, in his State of the State address, announced that Laurel Firestone is appointed to the California State Water Resources Control Board, and that Joaquin Esquivel is the new Chair.

Mr. Peschel also reported that a letter was sent to Pacific Gas and Electric (PG&E) on February 7, 2019, regarding potential sale of hydroelectric facilities on the Kings River due to their recent Chapter 11 filing. A follow up call was held with PG&E, and informed us that due to the increasing value of those assets, resulting from the increasing variability of energy supply associated with renewables (Helms is used to balance solar), they currently have no interest in selling and are not inclined to for the foreseeable future. PG&E indicated they would keep us abreast if anything changes due to the nature of the current bankruptcy filing.

Mr. Peschel further reported on follow up discussion with KRCD/KRWA Washington DC Lobbyists Kristi More and Lori Pickford. The intent is to open up a dialogue with Federal

legislators, their staff, and key agency heads and personnel. Ms. More indicated that if a trip to Washington, D.C. were to be scheduled, it would likely be sometime in the spring.

Mr. Peschel reported that a new water trading index has been created, Nasdaq Veles California Water Index (NQH2O).

Water Quality: Charlotte Gallock, Manager of Water Resources provided a written report to the Board on water quality and resource matters.

In addition to her written report, Ms. Gallock highlighted that her team is currently working on revisions to the SGMA reporting plan that have been requested by the Regional Board. One key change being sought with the Regional Board is to change the sampling period from fall to the May-August time-frame.

Ms. Gallock also reported that Alta Irrigation District is hosting the first CV-SALTS Management Zone Pilot steering committee meeting, with the goal to bring everyone up to speed and to establish the boundary of that Management Zone. The intent is for the Irrigated Lands and the GSA to work together to accomplish the goals of the Management Zone.

Ms. Gallock reported that a fourth invoice is being generated to finish collection of dues for the billing cycle; 27,000 acres have not paid yet.

Ms. Gallock also reported that she attended a Water Market Exchange meeting at Fresno State, and it was clear from that meeting that each GSA will need to have clear and concise rules if they want to participate, which will have to be communicated clearly to the growers.

Power Resources: David Merritt, Deputy General Manager, reported that the work on Unit 3 at Pine Flat with the draft tube coating failure is ongoing.

Grant Projects: McMullin On Farm Flood Capture and Recharge Grant - Mr. Merritt reported that work is close to completion on the public facilities. The installation of the headwork gates is completed, with the exception of the valve stems and actuators; the entire KRCD portion of the project should be completed in February. Mr. Merritt states that Terranova Ranch is negotiating their contract for the private facilities

Local Levee Assistance Grant - Mr. Merritt reported that everything is on track for project completion in 2019.

Flood Operations and Maintenance: Mr. Merritt reported that shredding and sediment removal is occurring within the Crescent Bypass. They have progressed 3 miles on the right bank, starting at 24th Avenue.

Business Operations: Randy Shilling, Deputy General Manager of Business Operations, reminded the Board that Form 700's are due by April 2nd.

Mr. Shilling reported that the farmhouse demolition on the Parlier property required an asbestos inspection, and Rick Hoelzel will contact abatement contractors to get estimates on removing the asbestos that was found.

Mr. Shilling provided a Sexual Harassment Training notice to the Board. JPIA will be hosting this training at KRCD on March 12 to provide this training at 10:00 a.m.

Mr. Shilling also reminded the Board that he is retiring and his last day is Friday, March 29, 2019.

SECOND AMENDMENT TO KINGS RIVER FISHERIES FRAMEWORK AGREEMENT

It was moved by Director Howe, seconded by Director Yoshimoto, and unanimously carried that the Board approve the second amendment to the Kings River Fisheries Framework Agreement Section 1(f); increasing the Kings River Conservation District's and Kings River Water Association's financial obligation from 20 to 30 years, and maintaining the current equally shared \$100,000 annual contribution for a total equally shared \$3 million contribution. Subject to authorization and appropriation of funds, the Department of Fish and Wildlife's funding will increase from \$2 million over 20 years to \$3 million over 30 years.

(AYES: President Stanfield, Vice-President Beberian, Directors McKean, Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: None)

ENDORSEMENT OF THE NORTH FORK REGIONAL RECHARGE PROJECT TO THE KINGS BASIN WATER AUTHORITY (UKBIRWMA) PROPOSITION 1, ROUND 1 IRWM IMPLEMENTATION GRANT PROGRAM

It was moved by Director Howe, seconded by Director Cehrs, and unanimously carried that the Board authorize a letter of endorsement be sent to the KBWA stating that KRCD endorses, will sponsor, and will be the lead CEQA agency for the North Fork Regional Recharge Project under the Proposition 1, Round 1 Integrated Regional Water Management Implementation Grant Program.

(AYES: President Stanfield, Vice-President Beberian, Directors McKean, Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: None)

ENDORSEMENT OF THE LAGUNA IRRIGATION DISTRICT LATON NORTH RECHARGE PROJECT TO COMPETE FOR FUNDING UNDER THE ROUND 1, PROPOSITION 1 IRWM IMPLEMENTATION GRANT PROGRAM

It was moved by Director Howe, seconded by Director Cehrs, and unanimously carried that the Board authorize a letter of endorsement be sent to the KBWA stating that KRCD endorses, and will sponsor the Laton North Recharge Basin Recharge Project under the Round 1, Proposition 1 Integrated Regional Water Management Implementation Grant Program.

(AYES: President Stanfield, Vice-President Beberian, Directors McKean, Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: None)

BUDGET AUGMENTATION

It was moved by Director Yoshimoto, seconded by Director Cehrs, and unanimously carried that the Board approve a budget augmentation as follows:

1. General Fund adjustments resulting in no net change:
 - a. Increase the Office Furniture and Equipment line item by \$27,930.00 for additional network disc storage
 - b. Decrease the Legal Services line item by \$12,500.00
 - c. Decrease the Accounting Services line item by \$3,430.00

- d. Decrease the Election Expense line item by \$12,000.00
 - e. Increase Professional Services Expense by \$383,763 and increase Grant Revenues by the same amount to provide for the Prop. 84 Flood Emergency Response Grant
2. River Maintenance Fund adjustments as follows:
- a. Add \$200,000.00 to the Bank Protection Expense line item for the Crescent Bypass project
 - b. Add \$250,000.00 to the Power Operated Equipment line item for purchase of a Wheel Loader

(AYES: President Stanfield, Vice-President Beberian, Directors Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: Director McKean)

FINANCIAL REPORT

Randy Shilling, Deputy General Manager of Business Operations, presented an overview of the Budget-to-Actual Comparison reports for the period ending January 31, 2019.

It was moved by President Stanfield, and seconded by Director Howe, and unanimously carried, that bills in the amount of \$1,456,478.04 as presented in the schedule of Disbursements and Current Accounts Payable, were approved and ordered paid.

(AYES: President Stanfield, Vice-President Beberian, Directors Howe, Cehrs, Kapheim, Yoshimoto -NOES: None - ABSENT: Director McKean)

ADJOURNMENT

There being no further business, President Stanfield adjourned the meeting at 3:43 P.M.

Paul G. Peschel
Board Secretary

Approved on March 12, 2019
Board President