

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT
MINUTES OF THE BOARD MEETING**

June 21, 2007

The Adjourned Board Meeting of June 21, 2007 was called to order at 5:05 p.m. by the Vice-Chairman, Leland Bergstrom.

DIRECTORS' ROLL CALL

Leland Bergstrom, Vice-Chairman (present)
David Cárdenas (present)
Don Tow (present)
Bob Waterston (absent)
Judith Case, Chairwoman (absent)

STAFF AND CONSULTANTS PRESENT

David Michel, General Manager/ Board Sec.
Ben Muñoz, Assistant Manager
Robert Whitley, District Engineer

OTHERS PRESENT

Mark C. McKean, KRCD Board President
Brent Graham, KRCD Board Vice-President
Ceil W. Howe, Jr. KRCD Board Member
Jim Richards, KRCD
Randy Shilling, KRCD
Amy Fienen, Kingsburg Recorder

PUBLIC COMMENTS

None.

NEW BUSINESS

Joint Meeting with Kings River Conservation District (KRCD) Board

Vice-Chairman Bergstrom reported that he had told the Kingsburg City Council last night that the KRCD power plant might be located on SKF property near the treatment plant and that the City of Parlier possibly may join SKF.

Director Tow said that Parlier joining SKF seems like a separate issue. He wanted to listen to any proposal from KRCD.

Director Cárdenas said that the Fowler City Council had not discussed this but that the City Manager is informed. Director Cárdenas likes the concept of the power plant on SKF property. SKF may still be

interested if issues can be worked out. It's worth looking at but it needs to be done carefully. If it's a win for everybody, then he wants SKF to be a part of the success.

Vice-Chairman Bergstrom said that the County of Fresno may be looking at Parlier as a partner in the SKF plant. SKF may be going to tertiary treatment so why not consider a power plant.

Mark McKean said that KRCD is far down the road with Parlier and Sanger and is not going to slow down or stop without good reason. When he first heard of SKF, he thought it was a good marriage, but SKF's first proposal was a long way from where it needed to be. He didn't like the dollars and cents and some of the phrases and protections for SKF. Some of the issues were cleared up in a letter from SKF dated March 3, 2006, but other opportunities for KRCD arose. At the end of tonight's meeting, the ball will be in SKF's court. What KRCD wants to accomplish is the following: KRCD is to own the property; KRCD is to tell SKF the size of the pipeline at the edge of the property; and KRCD will pay \$25 per acre-foot of water, no more. If that won't work, KRCD is not interested. KRCD does not want to use SKF's engineer for anything.

Vice-Chairman Bergstrom said his thinking is that KRCD gets its water first, then the 99 corridor, then the three Cities for schools and parks. The fast train which is being planned will need electricity. He would rather see a new power plant owned locally.

With regard to the District's letter dated March 3, 2006, Mark McKean said that KRCD is okay with items 1 – 4, with item number 2 to be open-ended, with no term. SKF can have first right of refusal on the land if KRCD ever wants to sell it. For item number 5, the deal with Parlier is for \$25 per acre-foot with no escalation over time, and that is what KRCD is willing to pay SKF.

Jim Richards said that KRCD's initial proposal to SKF was to provide power to the SKF plant. Mark McKean said that is still on the table.

With regard to the District's letter dated March 3, 2006, Mark McKean said that KRCD is not willing to sign the three agreements prior to going to the California Energy Commission. He said that item number 6 is a duplication of item number 5. Items 7, 8 and 9 are rejected by KRCD. All of SKF's costs are to be SKF's costs alone.

Jim Richards said that in the pond effluent agreement there was a limit on the water and it was less than the power plant needs. District Engineer Whitley said that SKF has about 4,500 acre-feet per year coming into the plant and KRCD needs about 3,500 acre-feet per year. He must look again at the water balance but he thinks that it now works to provide KRCD with water.

District Engineer Whitley asked if a summary of KRCD's position is that everything on KRCD's side of the fence is KRCD's expense and everything on SKF's side of the fence is SKF's expense. Jim Richards said yes.

Vice-Chairman Bergstrom said that he received an email from Alan Weaver of the County of Fresno and that LAFCo encourages Parlier to join SKF. Director Tow said that anyone can join SKF so long as Selma can grow and the plant has capacity.

Mark McKean said that SKF must act quickly. KRCD is already behind schedule and changing sites at this time will put KRCD farther back. Jim Richards said that KRCD will remove the salts from the water and haul off the salts. Mark McKean said that there will be a battle no matter where the power plant is located. KRCD needs SKF support to fight the battle.

Vice-Chairman Bergstrom asked how many decibels the power plant would be. Jim Richards said that it would comply with requirements at the fence line. District Engineer Whitley said that engineering issues should not be a problem. Jim Richards said that KRCD will be the water re-user and will comply with Title 22 and will treat the water to tertiary standards.

The SKF Board and staff thanked the KRCD Board and staff for meeting tonight.

CLOSED SESSION

Vice-Chairman Bergstrom called for a closed session at 6:29 p.m. to give instructions to General Manager Michel, Assistant Manager Muñoz and District Engineer Whitley regarding price, terms and conditions for the potential sale of all or part of parcel number 393-330-03T to the Kings River Conservation District (KRCD). The Board returned to open session at 7:23 p.m. General Manager Michel reported that the Board gave direction to the General Manager regarding negotiations for the sale of real property.

ADJOURNMENT

There being no further business to come before the Board, Vice-Chairman Bergstrom declared the meeting adjourned on a motion duly made, seconded and approved by unanimous voice vote at 7:24 p.m.

Respectfully submitted,

Approved,

David Michel, General Manager/
Secretary of the Board

Leland Bergstrom
Vice-Chairman of the Board