

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
December 13, 2018, @ 10 a.m.

Directors present: Kliewer, Enman, Knoll & Hamel, Not present: Hartman, Conference call: Nathan Rietmann/Counsel, Scott Cheyne/Acting District Mgr, Fritz Frisendahl/Asst Mgr, Media/None.

In the matter of approving agenda: Knoll motions. Hamel seconds. All approved.

PUBLIC COMMENTS: None.

APPROVAL OF NOVEMBER 15th MINUTES:

Enman motions. Knoll seconds. All approved.

FINANCIAL REPORT:

Check detail:	MOTION: Enman motions to approve. Knoll seconds. All approved.
Budget vs Actuarial:	MOTION: Hamel motions to approve. Enman seconds. All approved.
Treasurer report:	Discussion regarding Washington Federal cash revenue account @ \$584,717.42 and LGIP @ \$4,666,750.69. MOTION: Hamel motions to approve. Enman seconds. All approved.

MAINTANCE REPORT:

Fritz Frisendahl:	Informs Board on lease vs purchase on excavator. If leased, at 1,000 hrs vs 2,000 hrs per year cost for 1,000 hrs @ \$2,834.00 a month, and 2,000 hrs @ \$4,250.00 a month with a term of 48 months. Cost to purchase: \$185,000.00 less once gov't rate is applied. Recommends to board to purchase.
Ray Stacey	Three trees to be removed in r/w of the A-3-F in the vicinity of 4810 Altamont Dr and Pacific Power's voltage line. Three quotes received: Absolute Tree Service @ \$2,400; Mazingos' Tree Service @ \$3,300 and Golden Brown Tree Service @ \$3,800.00. Also, Pacific Power will have to take down some branches being so many feet within their voltage line and their crew could take 2-3 weeks. Once trees are down KID will remove and haul off.

H2O OPERATIONS/MANAGEMENT REPORT:

Scott Cheyne:	Informs Board on water tracking finished @ 102,390 a.f. - will do an audit to confirm.
---------------	--

H2O SUPPLY UPDATE:

Jerry Enman:	KWUA met on Tuesday and was informed KWUA hasn't received KID's signed 2016 KP&FA for The Nature Conservancy to become a party. Note: KID's president has recently signed again and Cheyne will forward to KWUA. KWUA working on priorities, plan for strategy, searching for a new Director, dealing with reclamation and the services in the re-consultation. A recent meeting with Mikkelsen laying out the ground work and trying to identify. Parties in attendance Hoopa Tribes with The Klamath Tribes in the audience.
Grant Knoll:	Discussed having board hold off on paying the 2019 membership dues that is due by January 31, 2019, until the questions he provided to Enman for KWUA

can be resolved. Would like executive committee to come and talk to the district. Enman doesn't feel a board decision needs to be made at this time and will address questions to KWUA.

John Bair: Addressed the board for KID's membership dues be a public open discussion before board makes decision at next month's meeting.

Marcy Anderson: Mentions to put out to vote with Ty Kliewer reiterates out of public comment period.

C-SIPHON UPDATE:

Brian Pisan: Construction at an end and to date total project cost approximately \$9.7 million with district's upfront payment - so approx. \$8 million the district has borrowed.

MOTION: Knoll motions to approve R&G Payment Application No. 26 in the amount of \$104,861.50. Enman seconds. All approved.

MOTION: Enman motions to approve R & G partial retainage in the amount of \$460,306.29. Knoll seconds. All approved.

MOTION: Knoll motions to approve Adkins Invoice #55310 in the amount of \$17,354.71. Enman seconds. Knoll seconds. All approved.

MOTION: Hamel motions to approve Final Acceptance Report. Knoll seconds. All approved.

KLAMATH PROJECT DROUGHT RESPONSE AGENCY:

Jerry Enman: DRA meeting tomorrow @ KWUA. The amount of \$9.4 million received and will be going over for a rate set for reimbursement to be known. MBK will be delivering maps to the office for verification. Unknown of what will be left over – expect more money for the land and ground water once rate is set, and will be discussing what to do with the excess. An option could be for districts to decide what to do.

INTERNAL OPERATIONS UPDATE:

Nathan Rietmann: Discussed hiring procedure provided to the board for the District Manager's position, i.e. screening applications, interviews, background check etc., adopt advertisement as your criteria and hold a public comment in regard to hiring.

Public comment: None.

MOTION: Hamel motions to accept counsel's hiring procedures. Enman seconds. Knoll abstains. 2 - Approved, 0 - Opposed, 1 - Abstained.

MOTION: Enman motions to approve advertisement as hiring criteria. Hamel seconds. Knoll abstains. 2- Approved, 0 – Opposed, 1 – Abstained.

MOTION: Hamel motions to schedule a special meeting for screening of application process for manager's position. Enman seconds. Knoll recused wanting no part of process. 2 – Approved, 0 – Opposed

Scott Cheyne: Informs board on OWRC conference in Hood River and met with FCA and provided information to provide in their packets. Met with Jeff Merkley's aides and have offered their assistance in the process. Met and spoke with David Palumbo, Deputy

Commissioner of Operations for BOR regarding conservation and David will be coming to the basin in January/February.

FCA wants all districts to engage at the same time so feasibility study can be done at one time.

Crop survey forms sent out with billing with just under 50% of survey forms returned.

Received a SDAO safety grant for hard hats, led lighting etc totaling \$5,500 (½ being KID portion).

PLANNING COMMITTEE UPDATE:

Josh DuBose: Informed board water tracking and drought plan are their priorities for upcoming year. With crop survey data received can compile data and apply for returns to come up with – a baseline drought plan for next season. Would like from each director a nominee from their division to be ceded to the 2019 planning committee. The committee contacted James Rynerson/Independent, Jeff Dixon/OIT, and Stacy & Dennis IT to complete next phase for the water tracking software. Rynerson & Dixon declined and Stacy & Dennis IT considering.

LEGAL REPORT:

Nathan Rietmann: Big issue being the re-consultation. Just received draft of proposed action of biological assessment and comments by December 16th. Will be in contact with KWUA to make sure our comments are on point.

OTHER:

Scott Cheyne: Informs board a date for an organizational meeting be set for January 2019. Board informed of the resolution that set a January 10, 2019, as the board’s organizational meeting. Board can change by resolution the January 2019 date, but will need to rescind current resolution in place. Board took no action to change January 10, 2019.

Linda Seater: Property owners request suspensions/exclusions on tax lots 3909-11CA-1100, 4110-1CD-6800 & 4110-2DC-1200.

MOTION: Enman motions to suspend/exclude. Knoll seconds. All approved.

Scott Cheyne: Informs board on the estate of Dave Henzel’s 35.26 acres property being tax lot 3909-2300-1700. Siblings still undecided.

Informs board on Mid-Pacific Conference in Reno, NV in January and has a block of rooms for board members, counsel and planning committee members to attend.

PUBLIC COMMENT:

Shane Cheyne: Addressed board on land idling for water for refuges and bureau’s pay on so much to transfer for every a.f. / \$300 an a.f. with CA getting \$600+ an a.f. Has concerns for state adjudication water right @ 3½ a.f. is worth more. Would like for KID to have a policy - set time every year on policy review of all KID membership dues.

Jerry Enman: Clarifying DRA is a separate agency for KWUA.

- Al Fronsdaahl: Addressed to president on KWUA of where the money went. Has brought up at previous meetings their financial reports with not producing their minutes, mentions an embezzlement at KWUA and how it was settled – it’s still unknown to him and would like an itemized account of it. Feels all board members should resign.
- Josh DuBose: Informs board and audience of last time debate and allow Knoll’s questions be addressed and board respond first. Informs that planning committee has more continuity, interaction with staff and board then there has ever been with district.
- John Bair: Addressed board on KWUA - would like to know where and what the money has gone for. Discussed some time back of doing an RFP on PUC and still unknown. Wants justification on where money is going, cases being lost, late delivery of water. Feels money provided to KWUA with no results. Questions their representation for us and needs transparency.

ADJOURNED INTO EXECUTIVE SESSION PURSUANT TO ORS 192.660 (2) (a) (f) AT 11:30 a.m.

MOTION: Enman motions. Hamel seconds. All approved.

Reconvened @ 12:07 p.m.

Kliewer, Enman and Hamel discussed for a special meeting next week. Knoll not attending.

MOTION: Hamel moves to adjourn. Enman seconds. All approved.

Adjourn at @ 12:10 p.m.

ATTESTS:

Chairman

Secretary