

Regular Meeting Minutes

**Klamath Project Drought Response Agency
Regular Board Meeting
April 14, 2022
1:30 pm**

MEETING CALLED TO ORDER

Marc Staunton, the President, called the regular scheduled Board of Directors meeting of the Klamath Project Drought Response Agency (KPDRA) to order on Thursday, April 14, 2022, at 1:38 am, at KWUA boardroom at 2312 South Sixth Street and via the on-line conference platform called Zoom.

ROLL CALL

Directors Present: Marc Staunton, Sam Henzel, Paul Crawford, Ryan Hartman, Rob Unruh, and Mike McKoen.
Absent: Luke Robison

Guests: Chelsea Shearer, Gene Souza, Nathan Ratliff, Mike Neuman, Pat Nue, Marcy Anderson, Lynn Long, Nick Grounds, Scott White, Anthony Say, John Crawford, Tracey Liskey, Hannah Whitley, Haley Grohs, Brain Lepore, Marc VanCamp, Rick Walsh, Pat Paterson, Terry Guthrie, Steve Chronister, Eric Strum, Rob Unruh, Jimmy McKoen, Paul Simmons, John Parrish, Donald Rohrbacker, Tim Parks, and Criss Duncan

Public Comment- None

Agenda

Approved unanimously by consensus.

Review/Reconsideration of Denied Applications Long/Sukraw involving KHDIC

Pat Neu provided follow-up information on the applications.

Motion: To approve and amend the approval of applications of Lynn Long, in accordance with the spreadsheet provided by Pay Nu, and the acreage set forth therein.

Motion by: Paul Crawford Second: Mike McKoen

Roll Call: unanimous

Motion Carried

Minutes

The board was provided with the February 9, 2022, minutes for review and approval.

Motion: To approve the February 9, 2022 minutes as presented.

Motion by: Mike McKoen Second: Rob Unruh

Roll Call: unanimous

Motion Carried

Financials

The board reviewed the financial statement provided. Marc Staunton stated the \$4 million is not on the P & L. The approval of financials will be tabled until it is reflected.

Update Regarding 2021 CARES Act and Authorize Payment of Final Costs

Nathan stated that there are approximately \$20 thousand dollars left in the CARES Act funds. If those funds are not used, they may need to be returned. There are still 2021 invoices that have not been received. Nathan will work to have all those submitted so they can pay out by month-end

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Update regarding Assessment Reimbursement from the State of Oregon

Nathan updated the board that the Assessment Reimbursement from the State of Oregon (RICOD) is now available. He stated that once the applications from the five districts and VanBrimmer are received, they can process checks. Between those districts, they have requested \$7,826,041.34. Nathan is still waiting to hear back from Plevna, Pine Grove, Pioneer, and Ady Districts.

Motion: Motion to proceed with payment of RICOD applicants prior to April 30, 2022, if and when all eligible applications are received.

Motion by: Mike McKoen Second: Ryan Hartman

Roll Call: Unanimous

Motion Carried.

Discuss Status of Future Programs/Funding

Paul Simmons, Director of KWUA, recaps the funds for 2022. \$2 Million carry over from 2021, \$10 Million for Supplemental Carryover, and \$8 million in the Omnibus Bill that was passed in March, totaling \$20 Million. Mike Neuman stated that the Omnibus Bill has not loaded to the budget yet; once it does, Reclamation will do a modification to include it. It should be obligated in a few days. He did state that Reclamation is unable to find \$2 million of the \$10 million stated in the Omnibus Bill.

Discussions of setting a price per acre of \$450 an acre with an estimated 44,000 acres. Legal counsel stated he does not recommend setting a price per acre as it is too early to know funds, and there are currently not enough funds to give cover. He recommends waiting till funds are solidified. Sam Henzel suggests that the DRA incentivize applications by prepaying applicants to apply. Marc Staunton stated that it would not make sense to do that, if an applicant violates it, then there is a huge administrative cost to collect the prepaid contact. The discussion resulted in the understanding that prepaying is not a feasible option.

Ryan Hartman stated that the DRA must make a decision and get back to telling applicants what the dollar amount per acre is before they submit their applications and let them know if they are eligible at that time, not when it's too late. He stated that the DRA needs to be more efficient as most of these lands have been mapped and verified prior.

Ryan also suggested a discussion on how to bring in the estimated 1,550-1,750 "under five acres" applicants. He suggested that they not be paid per acre as that will be a lot of administrative costs, but to reimburse O&M costs to districts. The main district that has the discontent "under 5 acres" patrons is KID. In discussion, it was suggested that KID submit one application that includes these patrons and then let KID pay them. Mike McKoen directly asked "how can the DRA help KID with these patrons that are making noise at KID?" Ryan stated that "when you add up the water that may be allotted to these patrons, it is a considerable amount that will be used mostly for pasture. If those ditches stay dry and it's utilized elsewhere, then it's a win-win for the Project." Mike Neuman suggested that an idea like this should be under a 5-year contract if he wants this "permanent" acre idle. He went on to state that if it's only one year, it could be done on parcels less than 5 acres if it will save water.

A partial season irrigation conversation commences. Sam Henzel favors this program stating that if someone can take water once, then allow them to partially idle and send the rest of their water to the next person. This would allow them to make a choice to idle instead of being "forced to take their whole allocation." The conversation veers to how this can be double "dipping." Take your water, then get paid to idle remainder. At this time it appears everyone may only get one irrigation anyways. Marcy Anderson, on behalf of FSA, interjects, stating that if one drop of water is applied, any funding for applications for FSA funding of the Forage disaster program will be forfeited as well, and this year the dollars have increased.

Scott White, KDD manager, stated that if the DRA board allows a partial season that would include the allowance of winter irrigation, then KDD could save the Project 12,000 acre-feet of water by forgoing spring/summer irrigation on their 8,000 acres which they pull water through their headworks. If KDD is not eligible for a program, then they intend to take their allotted supply. The board is reminded that the exclusion of districts was to have compliance with the operations plan; Reclamation makes the determination that a district has not complied, not the DRA. After discussion, the board took a 15-minute recess.

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The board resumed discussions on policy other than dollars per acre and partial season. Under the policy eligibility section item 5.a & b states the passage below. Staff presented a map with updated definitions to address previous mapping discrepancies and to include new east side lands for item a.

Sam Henzel asked the staff why the DRA is using these maps; the policy states the "Project" if a district is in the "Project," how can they not qualify. (His comment is in direct correspondence with Klamath Hills District being excluded.) He continued that if you pay a fee to Reclamation, you should qualify for the program. Pat Nue stated the Reclamation maps show the contracted land, and some of those lands conflict with the FOD. So some lands could be approved based on the FOD maps and but if they are not on Reclamations maps, they will be denied. Sam stated he understands but does not agree, and makes a motion.

Motion: To consider all lands under contract with Reclamation either under contract or agreement or acres mapped.

Motion by: Sam Henzel Second: none

Discussion:

The board discussed ACFOD + Reclamation maps= DRA maps. Move forwards with ACFOD maps excluding Klamath Hills.

Motion dies

Motion: to accept language as to eligible lands within the West Side as set forth on the language presented by Pat Neu, incorporating a map, with the exclusion of those within Klamath Hills District Improvement Company

Motion by: Ryan Hartman Second: Sam Henzel

Roll call:

Ryan Hartman- Aye

Sam Henzel- Aye

Paul Crawford- Aye

Rob Unruh- Aye

Mike McKoen- Aye

Marc Staunton- no

Motion Carries.

Pat Nue shows a map of the East Side to designate lands under contract with Reclamation. There is no mapping on the East Side, so the only option is to use a Reclamation map.

Motion: Motion to accept language presented incorporating map presented relating to eligible East Side lands

Motion by: Paul Crawford Second: Mike McKoen

Roll call: Unanimous

Motion Carries.

The board discussed under section five, *"The Applicant may be asked to provide proof that they and/or the parcel meet all the eligibility criteria. The following lands are not eligible to participate:"*

1. *Parcels to which water from any source except natural precipitation was applied between November 1, 2021 and October 31, 2022 ("the irrigation season");*

2. *Parcels irrigated using only groundwater, in a year of normal Project water supply;*

3. *Federally owned lands;*

4. *Land in walking wetlands or other similar programs where water was applied, and no agricultural crop was produced and harvested in 2021; and*

5. *The parcel is within a District determined by the Bureau of Reclamation to have failed to comply with the 2022 Klamath Project Bureau of Reclamation Operating Plan*

#1-3: the board consensus is to leave it

#4- Sam recommends removing it

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#5- Ryan suggested removing it – Mike Neuman stated that Reclamation would not allow this to be removed; however, no one is out of compliance at this time.

The board discussed other suggested changes to the program. Under C. Application/Qualification Process, Sam wants section 2 removed. Staff stated that they qualify and pay on only real acres; they remove all houses, driveways, etc., that are not able to be irrigated. Sam also stated that he suggested that the 1st paragraph in the policy be deleted. He feels it gives the DRA too much power and must be eliminated. Nathan clarified it's not giving power, it is a summary of many recitals. Paul Simmons states it is a summary of fact, not power. The President moves to the next topic as no other member was in agreement of its exclusion.

Mike McKoen suggests that since this is a copy of last year's draft policy, he stated that the old intradistrict transfer language should be stricken as there was a motion that was made last year that paused this language for a year, which is not reflected in this draft policy.

Motion: Motion to strike language excluding otherwise eligible lands from which water has been transferred to another parcel within the same district.

Motion by: Mike McKoen Second: Rob Unruh

Roll Call:

Ryan Hartman- Aye

Sam Henzel- Aye

Paul Crawford- No

Rob Unruh- Aye

Mike McKoen- Aye

Marc Staunton- Aye

Motion Carries

The President tables approving the policy as a whole until next week. The board will hold a special meeting on April 19, 2022, at 3:30 pm to review the suggested changes as a result of today's meeting.

Being no further business, the meeting was adjourned the meeting at 6:03 pm.

Motion: To adjourn the meeting.

Motion by: Paul Crawford Second: Ryan Hartman

Motion Carried.

Minutes prepared by Chelsea Shearer

Approved: Marc Staunton , President

Approved: Rob Unruh , Secretary