

Regular Meeting Minutes

Klamath Project Drought Response Agency Regular Board Meeting August 11, 2021 10:00 am

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 Wednesday, August 11, 2021, at 10:11 am at KWUA boardroom at 2312 South Sixth Street and via the online conference platform called Zoom.

ROLL CALL

Directors Present: Marc Staunton, Luther Horsley, Jerry Enman, Rob Unruh, Paul Crawford (via zoom), and Mike McKoen

Guests: Chelsea Shearer, Paul Simmons, Kyle Knutson, Cherisse Wilson, Nathan Ratliff, Bill Ganong, Moss Driscoll, Dan Scales, Laurie Askew, Marci Anderson, Susan Scrimmister, and Pat Neu.

Media Presence: Jess Fu

Minutes

There were no minutes to be presented. Minutes will be current by the next meeting.

Financials

There were no financial presented as there were issues accessing US Bank's website. Current Financial statements will be current by the next meeting. Nathan Ratliff stated that there is approximately \$400,000 in the bank; the current ledger amount is \$325,332.71. MBK is now current with invoices through June.

Motion: To approve the financials as presented and pay the outstanding invoices.

Motion by: Mike McKoen Second: Luther Horsley

Vote: Unanimous

Motion Carried.

Status of Bureau of Reclamation Grant Programs

The No Irrigation program closed on July 31. Kyle Knutson gives an update on applications:

- 729 applications were received, equalling ≈ 42,409 acres
- Still mapping some applications and following up with people
- 6 applications were received late, totaling 489 acres
- 8 applications received were less than 5 acres totaling 22.1 acres
- Some applications received was land outside the FOD or from Districts not in compliance (received a formal letter from Reclamation outlining the non-compliant districts)

MBK will send out a letter to all the applicants, letting them know their application was received and is being processed. MBK stated that most districts were willing and able to provide verification. KID is unable to verify; therefore, MBK will try to use satellite imagery to verify it has not been watered.

Paul Simmons stated that there would be an additional \$5 million this year, and there has been \$10 million appropriated for 2022. In addition, the \$5 million has to be "obligated" this year but does not have to be spent. Paul suggested that a plan similar to the past On-Project plan may be of value. The Board suggested that Paul and Nathan work closely to avoid the conflict KWAPA and KWUA had with prior management.

USDA / FSA Grant

Marc Staunton stated that the Board had been presented with the USDA/FSA Grant (the Program) and work plan that will provide \$15 million for the DRA to administer to ag producers. The Bureau of Reclamation issued a 2021 Operations Plan for the Project that provides in part that no water may be diverted from Upper Klamath Lake or the Klamath River for irrigation of land in the Project in 2021. Some land in the Project may be irrigated with groundwater, but a significant portion of Project land will not be irrigated. The land that is irrigated with groundwater is incurring costs for power and associated equipment that would not have been incurred if surface water had been available from the Upper Klamath Lake and the Klamath River. The purpose program is to provide targeted financial assistance to agricultural producers in the Project to help manage the severe drought and maintain the agricultural infrastructure in the basin. DRA will administer the program through which

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qualifying producers can apply for this financial assistance. Funds for the program are provided by a grant from the USDA Farm Services Agency to support the US food-supply chain and to manage impacts of the Covid Virus pursuant to the Coronavirus Aid, Relief, and Economic Stability Act (CARES Act; Pub. L. 116-136).

The Board discussed the bullet points of the work plan. Nathan Ratliff stated that to ensure there are no duplicate payments, or payments not accounted for within the caps, MBK will use social security numbers or EIN to make sure the payment caps are not exceeded. Applications will need to be completed by October 1. If the funds are not spent or obligated, then the unused portions must be returned.

Using an estimated 160,000 acres, including the lease lands and excluding Reclamation non-compliant districts, the estimated payment is ≈\$89 per acre.

Motion: Motion to Authorize Marc Staunton, Board President, to execute FSA Grant Agreement Regarding Award FSA21GRA0010776

Motion by: Rob Unruh Second: Mike McKoen

Marc calls for a vote:

Luther Horsley- Abstain

Rob Unruh- Aye

Marc Staunton- Aye

Jerry Enman- No

Mike McKoen- Aye

Paul Crawford- Aye

Motion Carried

The Board would also like to see the work plan include batch payments every two weeks to help get funds on the ground now. Nathan Ratliff suggests that the Board designate someone to make small changes as there are 60 pages to filter through. This will help prevent any issues, and they do not want to miss any other dates that are reflective of the date change throughout the plan.

In the application, it specifically names out the districts not eligible. Nathan shared Klamath Drainage District's (KDD) attorney's discontent with the verbiage and stated that it is deformation to the list of districts when some districts are using their state water right. KDD has asked for it to say "lands in noncomplying districts" instead of a "call out."

Paul Simmons stated that KWUA has a request for \$8 million from EOM; they are responding now to the Governor's request of what is not covered. Paul asks the Board to give thought to how the \$8 million will be used, and it would include KDD and the East Side if allowed. Marc Staunton asked if the funds have to go through DRA. Paul reminded the Board that they agreed they could hand the fund distribution if needed back in early spring.

Motion to Authorize submission of FSA Work Plan, Budget, Program Policy and Application, as presented with modification to allow for payments to be made after October 1. Minor changes permitted subject to approval by Board Member.

Motion by: Jerry Enman Second: Mike McKoen

Marc calls for a vote:

Rob Unruh-Abstain

Luther Horsley- Aye

Marc Staunton-

Jerry Enman- Aye

Mike McKoen- No

Paul Crawford-No

Motion Dies

Discussion ensued regarding the inclusion of Federally owned lands within the FSA Program, and the optics within the Project. Some patrons maybe unhappy to see these lands receive payment when the leaselands may receive water while the others do not.

Motion: Motion to Authorize submission of FSA Work Plan, Budget, Program Policy, and Application, as presented with modification to allow for payments to be made after October 1 and to excluded federally owned lands (lease lands) irrigated between November 30, 2020 and October 30, 2021 subject to approval by Board Member

Motion by: Jerry Enman Second: Mike McKoen

Marc calls for a vote:

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Luther Horsley- Aye

Paul Crawford- No

Rob Unruh- Aye

Marc Staunton- Aye

Jerry Enman- Aye

Mike McKoen- Aye

Motion Carried unanimously.

Motion: Motion to delegate authorization of advertising of FSA Grant Program Application to Board Member Jerry Enman and Authorization of expenditure of up to \$5000

Marc calls for a vote:

Luther Horsley- Eye

Paul Crawford- Eye

Rob Unruh- Eye

Marc Staunton- Eye

Jerry Enman- Eye

Mike McKoen- Eye

Motion Carried unanimously.

Motion: Authorize Jerry Enman to approve minor changes to the application for FSA program, if necessary.

Marc calls for a vote:

Luther Horsley- Eye

Paul Crawford- Eye

Rob Unruh- Eye

Marc Staunton- Eye

Jerry Enman- Eye

Mike McKoen- Eye

Motion Carried unanimously.

Public Comment

Marcy Anderson spoke of her discontent with the programs. She stated that being a livestock producer is deadly right now; they need to buy hay now, not later in the year. She asked if preventative planting qualifies under the DRA. Marc Staunton stated that "we don't ask producers what they do on their land and what insurance they have; we only ask if they have not watered it." She is frustrated that producers can "double-dip" and get FSA insurance and DRA funds. "The people need money sooner, not in October."

Being no further business, the meeting was adjourned the meeting at 1:20 pm.

Motion: To adjourn the meeting.

Motion by: Mike McKoen Second: Paul Crawford

Motion Carried.

Next meeting will be on September 8, 2021, at 11:00 am.

Minutes prepared by Chelsea Shearer

Approved: Marc Staunton _____, President

Approved: Rob Unruh _____, Secretary