

Regular Meeting Minutes

**Klamath Project Drought Response Agency
Regular Board Meeting
December 9, 2020
9:00 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, December 9, 2020, at 9:00 am at 2312 South Sixth Street and via the on-line conference platform called Zoom.

ROLL CALL

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

Guests: Chelsea Shearer, Paul Simmons, Kyle Knutson, Gene Souza, Brad Kirby, Nathan Ratliff, Bill Ganong, Ron McGill, Chris Kerney, Nick Grounds, Marc VanCamp, Spencer McGill, Casey Lander, Curt Mullis, and Pat Neu

Media Presence: none

Agenda

The board was asked if The Ferguson Group could be moved up the agenda to be next.

Motion: To approve the agenda with suggested changes in order.

Motion by: Luther Horsley Second: Jerry Enman

Motion Carried.

The Ferguson Group (TFG)

Chris Kerney stated that there would be a bipartisan push for a COVID bill. Conversations are continuing for a \$13 billion target with USDA for agricultural use. Chris stated that he was not sure what the language would look like, and he is skeptical the bill will be passed. Reclamation's FY2021 prospect for funds is good. TFG is working with KWUA to work with DOI & Reclamation to understand DRA's need for funds. If this bill moves off the floor, it could provide funds in the 1st quarter of 2021.

Paul Simmons stated appropriations bill set to hit the floor next week is for more funds than KWUA asked for; therefore, KWUA will ask for more than the \$10 million to be used to back fund 2020. Paul feels this bill is more logical to get funded than the COVID bill.

Chris and Paul both leave the meeting.

Minutes

The August and October minutes are presented to the board. Rob Unruh's name needs to be added to the roll call of October minutes, as well as the exhibit referred to is at the end of the packet for term limits.

Motion: To approve the accept the minutes with the following changes: add Rob Unruh to the roll call of the October minutes.

Motion by: Mike McKoen Second: Luther Horsley

Motion Carried

Financials

Nathan reviewed the financials and stated that on page 13 are the year-to-date numbers. The audit from last year is complete. The board could waive the audit if under \$100K. Nathan believes the DRA can waive the audit, but he's waiting on California to see if DRA can waive as well in lieu of no money in that year. Marc stated that there are invoices presented for approval.

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

Motion by: Jerry Enman Second: Luther Horsley

Motion Carried.

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Nathan stated that the new insurance would be \$1,800 per month for \$1 million dollars of coverage. Directors and Officers & Errors report is about \$11,474 per year. Nathan encouraged the board to accept the coverage; however, he would like to shop around for the right administrator. The board agreed that coverage should be acquired and authorized Nathan to continue to shop for less expensive plans. If a less expensive plan is found, Nathan may cancel the current plan and secure a new plan.

Discussion of Administration of Programs

Kyle gave a breakdown on the 2020 KPDRA Groundwater Summary By Program through December 7, 2020 it is as follows:

Program Groundwater Supplementation Program
 Apr - Jun Reimbursements = \$676,382.03,
 Other Received Bills= \$1,427,757.83
 Estimated Demand Charge= \$182,291.48
 Sub-Total= \$2,286,431.34

Focused Program
 April-June=\$ 160,087.95
 Other Received Bills+ \$ 295,072.08
 Estimated Demand Charge=\$ 40,145.93
 Sub-Total= \$ 495,305.96

Total April - June= \$ 836,469.98
 Total (April - June, Other Bills, Est Dem.) \$2,781,737.29

*Estimate based on 2015 data, \$12.45/AF average for wells in Top 30

The difference in estimated versus reported is likely due to many factors, including a decrease in efficiency and lag in flow meter totals reporting by applicants. The estimated total is 108,771.34 AF

Motion: To approve the claims in accordance with the Groundwater spreadsheet.

Motion by: Jerry Enman Second: Luther Horsley

Motion: Discussed and amended.

The board discussed presented spreadsheets from staff. Staff recommended that the board approve based on the recommendation spreadsheet. The board also discussed accepting late applications and stated they would not accept them and uphold current policies. The board recommends not paying on late applications, table the four applications that need future verification.

Amended Motion: To approve MBK to proceed and process payment for timely applications with the exception of applicants not verified.

Motion by: Jerry Enman Second: Rob Unruh Motion Carried.

2020 KPDRA Overall Summary (through December 7, 2020)

PROGRAM	Description	No. Applications
Non- Irrigation		
Full-Season	11/01/2019 – 10/31/2020	397
	22 applications withdrawn (1,325.75 acres)	
Partial Season	03/01/2020 – 10/31/2020	40
	3 applications withdrawn (226 acres)	

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Limited Season	05/12/2020 – 10/31/2020	17
6 applications withdrawn (228.27 acres)		
		Sub-Total: 454
Groundwater		
Power Plus	Similar to 2018: power + X%	117
Focused (Top 30)	Similar to 2015: power + \$20/AF	30
		Sub-Total: 147
		Total Applications: 675

2020 KPDR Non-Irrigation Program Summary (through December 7, 2020)

PROGRAM	Description No.	Acres
Non- Irrigation		
Full-Season	11/01/2019 – 10/31/2020	27,447.75
Partial Season	03/01/2020 – 10/31/2020	3,536.70
Limited Season	05/12/2020 – 10/31/2020	628.23
		Total: 31,612.68

Participation by the district for non-irrigation is as follows: KID had approximately 8,113.21 acres, KDD had approximately 8,734.98 acres, TID had approximately 9,432.04, and other districts combined had 5,332.45.

Motion: To approve MBK to proceed and process land idle payment for timely applications with the exception of applicants not verified.

Motion by: Jerry Enman Second: Paul Crawford

Motion: Discussed and amended.

Domestic Well Mitigation Program

The board discussed the process from 2019 programs. The board would like Nathan Ratliff to call the applicants and explain the process. There seem to be issues with getting well drillers out to applicants prior to the cut-off on application.

Motion: To approve Nathan to call applicants and explain the program.

Motion by: Rob Unruh Second: Paul Crawford

Motion: Carried

The board agrees to extend the deadline for domestic well applications to mid-November. As well as enter into a contract with qualified applicants. They must provide documentation for the driller to agree to provide services on well drillers' availability. Contracts will be issued, and the December 31 date will be kept.

Motion: To approve MBK and direct staff to issue domestic well contracts with the exclusion of DWP05.

Motion by: Rob Unruh Second: Luther Horsley

Motion: Carried.

Motion: To approve payment on complete and verified contracts for the domestic well program.

Motion by: Paul Crawford Second: Rob Unruh

Motion: Carried

The board circled back to discussing well pumping payments. Pat Neu stated that they had not received 60% of the demand charges for the focused well program.

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Motion: To approve reimbursement of the general groundwater program at 110%.

Motion by: Jerry Enman Second: Rob Unruh

Roll Call: Ayes Vote: Marc Staunton, Rob Unruh, Luther Horsley, Paul Crawford, Rob Unruh

Negative Vote: Mike McKoen

Majority Vote yes: Motion Carried.

In a discussion of this motion, Mike McKoen fears this will be a mess, and not knowing the other numbers yet, he suggested holding off on this motion for two weeks. Motion carried as initially stated.

In further discussion of land idling payments, the previous motion was amended to include land idling.

Amended Motion: To approve reimbursement of the general groundwater program at 110%. And therefore reimburse the full season land idle program at \$191.22 per acre and the partial land idle program at \$128.12 per acre with available funds of \$9.4 Million. Marc Staunton authorized to delegate payments with a current list of available funds prior to checks being cut.

Roll Call: Ayes Vote: Marc Staunton, Rob Unruh, Luther Horsley, Paul Crawford, Rob Unruh

Negative Vote: Mike McKoen

Majority Vote yes: Motion Carried.

Land Idle payments may increase if more funds become available. The payment approval is based on leaving ½ million in the bank to finish the administration of the program. Mike McKoen continues to object to making payments yet.

The board would like to set a deadline for receiving power bills. It was brought to the attention that not all people have received their power bills yet.

Motion: To pay on groundwater pumping bills received and wait and contact those who have not submitted their bills.

Motion by: Jerry Enman Second: Paul Crawford

Discussion led to amended motion. By consensus of the board, it was delegated to the president and legal counsel to approve a letter of explanation of what program is being paid. That letter will circulate this week.

Amended Motion: To authorize processing all applications that are complete, land idling and ground water applications that are complete and with bills submitted. Once those applications are complete, they can be paid.

Roll Call: Ayes Vote: Marc Staunton, Rob Unruh, Luther Horsley, Paul Crawford, Rob Unruh

Abstain Vote: Mike McKoen

Negative Vote: none

Majority Vote yes: Motion Carried.

If "plus up funds" materializes, a special board meeting will be called.

No further discussion of status of DRA funding/future programs

Public Comment: None

Being no further business, the meeting was adjourned the meeting at 1:17 pm.

Motion: To adjourn the meeting.

Motion by: Luther Horsley Second: Paul Crawford Motion Carried.

Motion Carried.

Minutes prepared by Chelsea Shearer

Approved: Marc Staunton , President

Approved: Rob Unruh , Secretary