



Klamath Irrigation District Annual and Regular Board Meeting Minutes January 11, 2007

Annual Meeting:

The meeting was called to order by President Dave Cacka at 5:00 p.m., January 11, 2007 at the District office, 6640 KID Lane , Klamath Falls , Oregon . **Present were Directors Cacka, Ed Bair, Jason Chapman, and Ross Fleming; Attorney Bill Ganong, and staff Dave Solem and Cindy Cherry.** Barb Hall, Duane Hardenberger, and Harold Hartman were guests.

President Cacka opened nominations for the position of Director for zone 2, for a period of 1 year. Jason Chapman made a motion to appoint Ross Fleming for the 1 year term. The motion was seconded by Ed Bair and passed unanimously. In the fall of 2007, petitions will be accepted for the election of a Director of zone 2 for the remaining 2 years of a 3 year term.

Cacka stated that nominations were open for officers of the Board for 2007. Ed Bair made a motion to maintain the same officers as in 2006. The motion was seconded by Ross Fleming and passed unanimously. Dave Cacka will serve as President of the Board and Ed Bair will serve as Vice President of the Board for 2007.

Jason Chapman moved to elect Dave Solem as Secretary-Treasurer of the Board. The motion was seconded by Bair and passed unanimously.

Bair nominated Dave Solem as Manager, Mark Stuntebeck as Assistant Manager, and Cindy Cherry as Office Manager of the District. The motion was seconded by Fleming and passed unanimously.

The Board appointed Dave Solem as the District's representative to the Klamath Water Users Association. Jason Chapman will serve as the alternate.

Bill Ganong was appointed as the District's legal counsel for 2007.

The following resolution was unanimously adopted by the Board:

“RESOLVED: That this District establishing in its name, 3 commercial accounts with South Valley Bank and Trust (referred to as Revenue, Payroll, and Disbursements accounts), and 1 account with the Oregon State Local Government Pool upon such terms and conditions as may be agreed upon; with said institutions and that the officers of the District hereinafter named; or any of them be and they are hereby authorized to establish such accounts effective January 11, 2007.”

“RESOLVED: That the following named officers and employees of the District:

David A. Cacka	President
Edward T. Bair	Vice President
Greg G. Carleton	Director
Jason J. Chapman	Director
Ross T. Fleming	Director
David A. Solem	Manager – Secretary
Cindy E. Cherry	Office Manager

When signing in the following manner:

Any one of the No. 1 through 7, inclusive together with any other of the above named, be and they are hereby authorized and empowered to withdraw any funds from said accounts, such withdrawals to be made by means of orders, checks, receipts, or otherwise, whether or not they are payable to the same individual order of any person or persons authorized to sign the same, and the Secretary of the District be, and he is hereby authorized and directed to certify to said Institution(s) the signatures of the persons herein above named.”

The South Valley Bank and Trust Safe Deposit cards, effective January 11, 2007 for Box No, 392 will duly be executed by the following:

David A. Cacka
David A. Solem
Cindy E. Cherry
William M. Ganong

President
Manager – Secretary
Office Manager
Attorney

“THEREFORE BE IT RESOLVED: That the resolution shall remain in full force and effect until written notice of the revocation thereof shall have been delivered to and received by said Institution.”

“WHEREAS, The Law of Oregon provided that the Board of Directors of the irrigation district at its Annual meeting assemble, set and declare the time and place of its meetings of the year.”

“NOW THEREFORE, BE IT RESOLVED: By the Board of Directors of the Klamath Irrigation District in its Annual meeting assembled this 11th day of January, 2007, that the time for the regular meetings shall be 10:00 a.m. , on the second Thursday of each month except for October 18th, 2007 and except as set by Board action and as set by law; and that the place of meetings shall be the District’s office building, 6640 KID Lane, Klamath Falls, Oregon or such other place as the Board may designate. The Board established January 10, 2008 as the next organizational meeting.”

Regular Meeting:

Agenda in Blue

Minutes in Black

Approval of Minutes 12/14/06

Approval of vouchers and warrants

Old Business

1. Adjudication

Nothing to report

2. Lawsuit/legal

a. Takings case

Nothing to report

3. Power

a. FERC

The Board discussed the January 9, 2007 Special Meeting in Merrill, Oregon. Participating Districts met to discuss potential FERC settlement issues.

Each FERC relicensing extension allows PacifiCorp to continue to operate Link River Dam under the existing agreements. PacifiCorp does not intend to relicense the Link River Dam power facilities.

b. Power development

The Board discussed the process of developing a power generation facility within the Project. Ross Fleming will contact Dennis Daugherty to determine how the District can move forward with developing a power project and for suggestions of someone to hire as a consultant. Solem will also look into possible consultants.

c. Executive Session: FERC settlement

3. Easements

a. Ellen Crawford request

Bill Ganong reported that he has drafted an easement agreement between KID and Ellen Crawford for a portion of her property on the D-21 lateral. Ganong is waiting for a revised draft from Crawford's attorney, Justin Thorne.

Solem will try to have the remaining easement agreements, under consideration, ready for review at the February 8, 2007 Board meeting.

5. Simplexity request

Solem reported that since the BOR has refused a request for an extension to remove the Simplexity structures from the upper C Canal, there is no reason to consider KID's \$5,000 fee to agree to an extension.

6. Other

Harold Hartman appeared before the Board to discuss the Rural Business Enterprise Grant Program (RBEG). Grants can be a maximum of \$25,000.00 and a cost share basis is encouraged. If accepted the money can be used for the cost of planning and the cost of feasibility studies for qualifying projects. Interested applicants must present preliminary applications by January 19th. Solem and Hartman will prepare preliminary applications for consideration for power development, and a grant to form an Intergovernmental Agency, to develop a larger power entity than just KID.

New Business

1. Maintenance

a. A Canal box culvert undercrossing at KOA

Solem and Pablo Arroyove, BOR, Klamath Basin Area Manager made an on site inspection of the box culvert located under the A Canal near the KOA campground

onShasta Way . Arroyove will investigate BOR engineering assistance and talk to Cecil Lesley to get the project started. Arroyove will also try to get a determination regarding which agency is responsible for the repairs.

b. Piping projects

Solem updated the Board on winter maintenance projects. The piping project between Bartlett and the South Side Bypass is nearly complete.

c. Chainsaws

Solem reported that he has replaced the District's two chainsaws at a cost of \$216.

d. Heater for welding shop

The Board approved the purchase of a radiant heater for the welding shop.

e. Portable radios

Solem will prepare price estimates to replace two portable 2-way radios, to be reviewed at the February 8, 2007 Board meeting.

2. Steel bid

The Board reviewed the following bids for steel to complete the piping project in the suburban area:

Farwest Steel	\$2,029.80
Heaton Steel & Supply	\$2,079.44

The Board awarded the bid to the low bidder Farwest Steel.

3. Adams Pumping Plant

Solem reported that the quote from an electrician to reroute the electrical hook up of the Adams Pumps, in order to remove a wooden trestle with chain hoist, is in excess of \$12,000. and does not include Pacific Power charges. Solem will get other competitive quotes.

4. Budget and Insurance

a. account balances

After a discussion the Board set the following account balances as of January 1, 2007.

\$ 200,000.00	Depreciation Fund
400,000.00	Working Fund
200,000.00	Emergency Reserve

1,315,000.00	Rehab & Betterment
100,000.00	Adjudication Reserve
-0-	Takings Reserve
400,000.00	Pumping Plant Rehab
50,000.00	Power Development

b. County letter

The Board discussed correspondence between Ganong and Klamath County attorney Dan Bunch, to question if Klamath County is required to pay KID charges on parcels the County has received in foreclosure. Ganong's position is that they have been and are still required to pay such charges.

c. Medical insurance

Solem reported that the group medical insurance through the Union will increase approximately 12% (total premium of \$819/month). Each employee will now pay \$374/month for medical insurance.

d. Insurance survey

Solem reported that he has completed the Special District Association of Oregon Risk Survey for the District and the Board of Directors.

e. Safety program

Solem reported that on January 5, 2007 an employee of the District was injured in a workers comp accident. Since the accident resulted in hospitalization, the accident was reported to OSHA. The employee is now recovering at home but may be off work approximately 6 weeks.

Solem stressed the need to enhance and elevate KID's existing safety program. Time, training, and money will be required to bring a higher standard to the program.

5. Meeting with Pablo Arroyave

Solem reported that he and Bair met with Arroyave to discuss ongoing issues regarding the BOR. Issues included 2007 operations, reconsultation, O&M issues, Project debt, A Canal Fish Screen, R.O.W. issues, BOR staff, as well as others.

6. Other

None

KID Board meeting February 9
NAS January 29