



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Region
Klamath Basin Area Office
6600 Washburn Way
Klamath Falls, OR 97603-9365

IN REPLY REFER TO:

JUN 15 2016

KO-300
WTR-4.00

Mr. Brent Cheyne
President, Board of Directors
Klamath Irrigation District
6640 KID Lane
Klamath Falls, OR 97603

Subject: C Flume Replacement Project Funds - Contract No. 16-WC-20-4838 (Contract) –
Klamath Project, Oregon-California

Dear Mr. Cheyne:

The Bureau of Reclamation is prepared to move forward with funding of the C Flume Replacement Project, pursuant to the subject Contract.

Consistent with prior discussions with the Klamath Irrigation District (KID) regarding the budget and phasing of the C Flume Replacement Project, Reclamation currently has up to \$5,500,000 in Fiscal Year 2016 funds available to advance KID for use towards the Extraordinary Maintenance (XM) work. In addition, Reclamation has requested additional appropriations in Fiscal Year 2017 and 2018 to complete the anticipated financing requirements for the project. Please note, however, as stated in Article 29 of the Contract, additional funds are subject to appropriation by Congress.

As previously discussed the availability of Federal funds for the work is contingent upon KID first expending at least \$1,712,000 of its funds towards the work. KID will need to provide adequate documentation to Reclamation of such expenditures. Please submit that information to Mr. James Gale, Chief of Engineering, Klamath Basin Area Office, by mail to 6600 Washburn Way, Klamath Falls, Oregon, 97603, or via e-mail at jgale@usbr.gov.

Following expenditure of KID's funds, as discussed above, Reclamation will provide funds to KID for the XM work, consistent with Article 4 of the Contract. KID should submit requests for funds to Reclamation in writing, with supporting documentation of the XM work to which the funds will be applied. Those requests and supporting documentation should also be submitted to Mr. Gale at the above contact information.

If you have any questions in the meantime, please contact Jason Cameron, Acting Deputy Area Manager, at 541-883-6935, or via e-mail at jcameron@sbr.gov.

Sincerely,



Brian Person
Acting Area Manager