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March 25, 2016

Pavel V. Kostyukevich
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Sacramento, CA 95825-1898
pkostyukevich@usbr.gov

Re: Agreement R10AC20669, Water User Mitigation Plan (WUMP), FINAL Reports

Dear Mr. Kostyukevich:

Enclosed are the Klamath Water and Power Agency's FINAL Financial Status and Performance Progress Reports, as per the required condition of the Water User Mitigation Plan Agreement referenced above.

Please review the reports enclosed and advise if you require further information or detail.

Sincerely,

A handwritten signature in black ink, appearing to read "David Cacka", is written over a yellow rectangular background.

David Cacka

Klamath Water and Power Agency

Enclosure

(Follow form instructions)

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.



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Final Performance Report – Water User Mitigation Plan (WUMP)
Cooperative Agreement R10AC20669
9/26/2008 through 12/31/2015

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KWAPA Organizational History

Formed in 2008, Klamath Water and Power Agency (KWAPA) is the product of discussion between local irrigators, districts and others in the community. KWAPA is a Joint Powers/Intergovernmental Agency whose members are water agencies within the Klamath Reclamation Project. A Joint Powers Agreement allows signatories to the agreement, who have statutory authorities that are common to each participant, to exercise those common "powers" jointly for the benefit of all parties.

Each of the Parties to the Agreement has the power to purchase, generate, transmit, distribute, sell and interchange electrical energy, and to manage water resources, in addition to other powers. Each of the Parties (Klamath Project Districts) either by statutory authority or by a vote of their patrons enjoys the same powers as a Public Utility District (PUD) or Municipal Utility District does.

KWAPA was to develop and implement a plan to align the water supply and demand for the districts and landowners generally within the Klamath Reclamation Project on an annual and ongoing basis. This plan could include conservation easements, forbearance agreements, conjunctive use programs, efficiency measures, land and water rights acquisition, groundwater development and substitution, water storage, and other voluntary transactions or applicable measures taking into consideration short-term, intermittent, long-term and permanent application. KWAPA was to provide for investigations and activities concerning water management as determined by the Board to be in the interests of KWAPA and its members, and to provide for protection of interests of the Parties in water and power resources.

KWAPA was also formed to coordinate studies related to the acquisition of generation and transmission facilities for electrical energy, coordinate transmission service over various facilities, including those of the United States and the charges for such transmission service and the policies governing such transmission, coordinate and maintain reserve generating and transmitting capacity, coordinate the sale of surplus capacity of energy, coordinate the purchase of energy and the allocation of tax credits, funds, and other resources available to offset the cost of electrical energy, and provide coordination in the realization of benefits of any program or activity intended to minimize the overall cost of electricity for irrigation and drainage in the Klamath Reclamation Project.

It needs to be said that KWAPA, at this point in time, is not a function of the Klamath Basin Restoration Agreement (KBRA) as Congress has not authorized or funded the Agreements, however it was anticipated that upon approval of the Restoration Agreement, there would be certain duties and responsibilities that would fall to KWAPA. Therefore, one of the purposes of the Intergovernmental Cooperation and Joint Exercise of Power Agreement was to authorize KWAPA to execute the Settlement Agreement and to undertake and complete all of the authorities and duties that would have been assigned to it by the Settlement Agreement.

KWAPA provided opportunities for irrigators and the larger community to work together within the framework of KWAPA, and potentially the KBRA, to better use common authorities to find locally based solutions to energy issues, water management issues, and coordinate in other areas to the benefit of the whole community.

Mission: *quoted as adopted by the board on February 3, 2010*

“Klamath Water and Power Agency (KWAPA) will strive for equal application of policies and programs for each member to the full extent allowed by law.

The Klamath Basin Restoration Agreement (KBRA), assigns various duties and responsibilities to KWAPA. Among those duties is the drafting and implementing of a water plan. The guiding principal in the development of this plan will be “the most water for the most acres”. KWAPA will emphasize the importance of increased water supply, then conservation and further improvements in efficiency, and finally, when full crop demand cannot be met, establish a compensated program for reduction of water use. It is the goal of KWAPA to develop a water plan that renders the ABC¹ issue moot.

KWAPA also has the responsibility to develop a program for affordable power for irrigation and drainage pumping for its members. The KWAPA Board of Directors has set a goal to provide electrical power at the lowest cost per kWh possible. This goal will be reached in stages consisting of

- 1) Develop the ability to receive and distribute Federal preference power.
- 2) Establish a spot market purchase program.
- 3) Build power generation projects to buy down the cost of power.
- 4) Promote conservation.

KWAPA will develop a business structure, policies and programs to move forward with the above water and power programs even if KBRA is delayed or eventually fails to be ratified.”

Due to lack of non-federal funding for KWAPA following the Water User Mitigation Plan (WUMP) program expiration, and that the board never developed the “business structure” for the continuation of KWAPA, and that the irrigation community in the Klamath Basin is undergoing a great deal of political problems and unity, KWAPA is closing its doors permanently on March 31, 2016.

¹ ABC refers to Reclamation water delivery contracts. “A” contracts are known as “repayment contracts” and “settlement contracts”, “B” contracts are “Warren Act contracts” and “C” contracts are “when available contracts”. The repayment contracts are the lands that are responsible for repayment of Klamath Project debt. The settlement contracts are lands that were irrigated prior to the Project and Reclamation negotiated including these lands in the Project. Warren Act contracts are the lands that were generally above gravity supply (or were flooded) and contracted for delivery after the system was built. Warren Act land was given the opportunity to choose to be a repayment contractor at the time of contracting. Repayment contract land has priority in water supply. When available contracts are lands that will receive water only at times there is water available in addition to the supply needed for the lands irrigated by the Repayment contract land, the Settlement contract land and the Warren Act contract land.

Administrator's Report

This is the perspective of Hollie Cannon, who was the Executive Director of Klamath Water and Power Agency throughout the implementation of the WUMP study. The purpose of this discussion is to acquaint the reader with results of the study and to provide insight in implementing a similar program in the future while avoiding some of the pitfalls that were discovered. The WUMP Cooperative Agreement was administered and implemented by KWAPA from 2008-2015 as a study under the authority of the Klamath Basin Water Supply Enhancement Act of 2000 and the Fish and Wildlife Coordination Act.

First of all the staff at the Klamath Basin Area Office (KBAO) deserves credit for their heart to do what is good for the irrigators of the Klamath Project. It is my belief they are sincerely trying to accomplish the mission of Reclamation to provide water to the irrigators of the Project. The KBAO staff receives the brunt of the wrath of irrigators who are frustrated with the bureaucracy that is any federal agency. The irrigators themselves do not have a solution that has real world merit to the issues in the Klamath Project, but they know a lot about what is not working.

There has been a lot of controversy about the WUMP, even to the point of an audit and investigation by the Office of Inspector General (OIG). At the time of this writing, the results of the OIG audit have not been completed.

Discussion of the WUMP Cooperative Agreement

- I. **It was a study.** Stated in the WUMP Cooperative Agreement, "The objective of this project is to complete a study to examine the potential for stakeholder capability to manage market-based water supplementation programs..." From this objective, the question investigated by KWAPA was: what can be learned from local stakeholders managing the WUMP Cooperative agreement that will guide and help form similar program(s) in the future to enhance water supply availability in the Klamath Basin. In review of KWAPA's administration and implementation of the WUMP during years 2008-2015, KWAPA was successful at maximizing available water supplies in years of drought (2010, 2012, 2013, 2014, and 2015) and for the most part achieved the goals of providing water that eventually benefited the Lower Klamath National Wildlife Refuge (Refuge) and significantly reduce involuntary water curtailments to water users reliant on federal waters supplies within the Klamath Reclamation Project.

Lessons Learned (Successes):

1. A stakeholder entity such as KWAPA can be very efficient in administration of a water supplementation program as stakeholders (in this case Klamath Project water users) feel a greater role in effecting change within their own communities and their livelihoods. As experienced in the WUMP, water user had opportunities to contribute their ideas and provide input on local policies and programs that throughout the WUMP made a great difference to the local economy.
2. As the WUMP was a multi-year, complex study, coordination and collaboration with numerous agencies occurred and KWAPA was very successful at developing strong positive partnerships (including Reclamation, Oregon Water Resources Department (OWRD), Project irrigation districts, the U.S. Fish and Wildlife

Service-Refuge management, California Department of Water Resources (CDWR), and landowners).

3. During years of unprecedented consecutive drought, KWAPA's administration and implementation of the WUMP supported continued economic activity in the Klamath Basin, thereby averting further lawsuits for "federal takings" in the years of water shortage.

Lessons Learned (Improvements Needed):

As this was the Klamath Project's first stakeholder administered program, several areas of improvement were identified and are summarized below:

1. The language of the Cooperative Agreement is vague and contains undefined terms.
2. The WUMP should have been based on specific goals established through Strategic Planning conducted jointly between the Project irrigation districts and Reclamation.
3. Undefined guidelines on development of WUMP Policies. Reclamation should have been more involved in the development of program policies.
4. Impacts from local political arena in the Klamath Basin impacted the policies of the WUMP. For example, the Klamath Water Users Association (KWUA) was highly adamant to taking a "grassroots approach" to addressing Project issues, including the WUMP. However, KWUA did not have any liability for how WUMP policies were developed or implemented, the influence on policy that KWUA created increased complexities for KWAPA.
5. Crises, brought on by consecutive drought conditions, heavily influenced how KWAPA board members shaped the WUMP's year to year policies. As a result, the funding for mitigation of drought impacts became more important than developing long-term market-based approaches to resolving water supply issues in the Klamath Basin.

A) Language of the Cooperative Agreement: Summarized are four examples of how the agreement as written was difficult for KWAPA and its members to understand.

1. WUMP Cooperative Agreement Section A.3, states "Supplementation of water supply for the Project is necessary due to the increased deliveries for fish and wildlife purposes required by ESA. The additional water maintained in Upper Klamath Lake for suckers and the increased flow requirements in the Klamath River for Coho salmon are the cause of the need for supplementation of water supplies. Additionally, due to the physical nature of the Project and the current state of the Water Rights for the Project, the Klamath National Wildlife Refuges are last in priority to receive water. All water acquired and utilized by this program will benefit the Refuges as they are the first to be impacted by shortages, and will be the first to benefit by supplemental supply."

- From KWAPA's perspective the above statement would seem to imply that the "M" for "mitigation" in the WUMP is that the program will "mitigate" the shortage of water for the Refuges by first filling the water supply demand for the Klamath Project so that there is water available to

deliver to the Refuges. However, there seems to be a conflict of goals. KWAPA struggled with the complexity of language in the Cooperative Agreement as it was unclear as to whether the WUMP was to provide a specific amount of water to the Refuges, or to provide water until the Refuges realizes a benefit.

Additionally, the following language from the Cooperative Agreement resulted in additional confusion and should have been clarified with Reclamation prior to administering and implementing the WUMP agreement:

2. Section A.5, RESPONSIBILITIES OF THE PARTIES Task 2 (2): “where a schedule for providing up to 50,000 acre feet on year 1 and reducing by 10,000 acre-feet each year until providing only 10,000 acre feet on the fifth year.”
 - KWAPA was unclear of its responsibility if the Project water shortage was greater than the amount specified each year of the WUMP. Additionally KWAPA struggled with determining, under these circumstances, how would the Refuges benefit? Because of the stakeholder interest in the WUMP policies focusing on solutions to supplement Klamath Project surface water shortages, KWAPA did its best to “fill the gap” between available water supply and demand rather than follow the WUMP’s predetermined schedule for creation of water.
3. Section A.4, “Options will be acquired at the lowest negotiated rate, and the total cost of the water will not be paid until the water has been delivered and verified.” KWAPA struggled with understanding and defining the term “lowest negotiated rate.”
4. Section A.5 Task 1, “Provide available water when necessary to meet the Project requirements for the direct benefit of fish and wildlife habitat.” The shortage in water supply for the Project is primarily due to water delivered to the Klamath River for fish. The shortage in supply to the Lower Lake Refuge is for the same reason. It is difficult to understand how the WUMP benefits fish, because the Biological Opinion does that. Wildlife benefit from the irrigation of crops because crops create abundant food and habitat for all forms of birds, squirrels, deer etc. This term was too broad.

Summary

Though signed in 2008, KWAPA first administered the WUMP in 2010. Because of the emergency nature of 2010, as a result of drought and the extra program activities needed to get the Project through the irrigation season, an expectation of mitigating farmers for loss of water was established. As a result, the WUMP included programs that mitigated water users for using ground water instead of surface water along with enrolling water users in a land idling program for not using or expecting to receive surface water during that irrigation season. At that time, Reclamation was unclear and provided little guidance to the KWAPA board

of directors on what the intent and authorized uses for WUMP funds were. Later, when Reclamation did provide guidance on the intent and scope of authorized uses for WUMP funds, key members of the KWAPA board of directors struggled with the need to fulfill obligations under the Cooperative Agreement and the influence expressed by stakeholders and entities such as KWUA.

B) Competing Priorities and Goals within the Klamath Project Water User Community. Depending on the situation and demands of the current water year, the goal of the WUMP was interpreted differently by individuals, water user groups, KWAPA, and numerous irrigation and drainage districts.

1. It was largely assumed by the irrigators and the KWAPA board of directors that the WUMP was a continuation of the Water Bank Program that Reclamation administered in the early to mid-2000's. It was thought that the language in the WUMP agreement referencing the "direct benefit of fish and wildlife habitat" was added to the WUMP agreement such that KWAPA could continue the same practices as had occurred under Reclamation's Program (e.g., groundwater pumping and land idling).
2. It was also discussed among the KWAPA board of directors and other water users that the WUMP was to be a "bridge" to the Klamath Basin Restoration Agreement (KBRA). Under this perception, it was understood by some that establishment of the WUMP would be a means for Reclamation to continue to support and fund the building of KWAPA capability to be ready to accomplish the tasks listed in the KBRA (e.g., On-Project Plan) that were assigned to KWAPA.
3. However, with consecutive years of severe drought impacting the Klamath Basin, specifically the economic stability of the Klamath Project agricultural community, it is KWAPA's understanding that Reclamation looked to KWAPA to use WUMP funds to maximize available water supplies and solve drought related issues. The WUMP agreement listed specific allocations of water that KWAPA would be ready to deliver. Those allocations began with 50,000 acre feet the first year and reduced by 10,000 each year with the fifth year resulting in only the WUMP providing 10,000 acre-feet. As KWAPA can find no explanation in the WUMP agreement language as to the reason for the declining allocations, administering and implementing the WUMP in consecutive drought years was made even more difficult for KWAPA. Any year that surface water supplementation was needed; the amount of water provided by KWAPA was far in excess of the allocation prescribed by the WUMP agreement.

Summary

Lack of coordinated priorities and goals from the Klamath Project districts, local water users associations, and KWAPA created complexities within the WUMP policies and ultimately, from KWAPA's perspective, resulted in the main purpose and objective of WUMP to be overshadowed in year to year crises.

C) Undefined or Unbalanced Guidelines on Development of WUMP Policies. The KWAPA board was not prepared for the responsibility of planning and implementing a multi-year Klamath Project-wide program. Some representative of the KWAPA board of directors expressed that their role as a board member was to use their influence on the KWAPA board to see that their district benefited from the WUMP programs. Other board members saw their role as representing not just their own district, but rather KWAPA as the organization made up of several members. Because of the complexities of the WUMP Cooperative Agreement language, and limited guidance from Reclamation, it was easy for KWAPA board members to see their roles differently. As a result, KWAPA board members found creating WUMP policies difficult and were less likely to include recommendations or policy guidance from Reclamation.

Summary

By 2013 the KWAPA board of directors had become accustomed to a pattern that programs to be administered under the WUMP were only to primarily include components that examined use of groundwater pumping and land idling to maximize available water supplies. Because of the listed issues (A, B, D & E), KWAPA staff found it difficult to ensure the WUMP policies were consistent with the Cooperative Agreement.

D) Impacts from the Political Arena in the Klamath Basin. The KWUA is a political organization whose members consist of various Klamath Project irrigation districts. Some of the KWAPA board members were also KWUA board members. KWUA openly claims (see KWUA annual reports at www.kwua.org) the successes of the WUMP at providing supplemental water to the Project as KWUA accomplishments, even though KWAPA was a separate entity from KWUA. There was definitely large influence on KWAPA policies from board members also on the KWUA board. KWAPA's staff perspective is that KWAPA policies were influenced by KWUA and KWUA did not have an understanding of the Cooperative Agreement's purpose, objectives, and allowed uses of federal funds. Despite this, KWAPA staff ensured that KWAPA upheld its obligations related to the agreement and as required for use of federal funds.

E) Funding became More Important than Developing Market-Based Approaches to Resolving Water Supply issues in the Klamath Basin. As drought continued to impact the Klamath Project water users' available water supply, support for the WUMP agreement and associated funding, in KWAPA staff's perspective, resulted in the KWAPA board focusing on programs that mitigated drought impacts and assisted individual water users from experiencing financial hardships due to water curtailments. As a result, the purpose and objective of the WUMP cooperative agreement were skewed. This perception is based on comments heard by KWAPA staff. For example, the term "leakage" (the term used to instruct the KWAPA staff that monitoring compliance with WUMP contracts should not be done) was heard as were statements similar to: "when Reclamation does not deliver full contract supply, they [Reclamation]

have to provide money.” The result from these mindsets, from KWAPA staff’s perspective, is that the large amount of funds that supported the WUMP Cooperative

Agreement coupled with ongoing drought impacts caused the KWAPA board to focus more on the immediate issues of drought rather than developing long-term solutions for the Klamath Project water supply. WUMP was an opportunity to develop solutions that did not require federal funds in the future. Instead some individuals stated publicly that the WUMP was to be used for “mitigation”.


Lessons Learned: Items to be further examined and/or improved upon:

- Scope of the WUMP as defined by Reclamation was too broad and/or did not contain enough guidance for further implementation.
- Language of the WUMP Cooperative Agreement was in some areas, vague, undefined, and unclear.
- “Market-based” is difficult to define, and was not sufficiently defined in the WUMP Cooperative Agreement.
- During the period of the WUMP, guidance from local Reclamation management has been unclear as there have been five KBAO Managers and nearly as many Acting Managers.
- Initial Grants Officer Technical Representatives were not well versed in overseeing federal grants administration.
- Conflict of Interest within the KWAPA board of directors seemed evident. While the legal level of conflict of interest may not have been breached, the conflicting actions taken by some the KWAPA Board was ever present and influenced how WUMP policies were developed.
- The role of KWAPA board members was unclear. Some members would not represent the interests of KWAPA but continued to represent the interests of their home district and personal political beliefs to the detriment of KWAPA.
- Due to the above issues, it was difficult to create a unified vision for the WUMP. Due to the conflicts of interest in board members, WUMP programs were “hijacked” to involve other issues that were not part of the purpose of WUMP. For example: the wet / dry land idling bid process in 2014 was used by those involved in the 2001 Federal Takings Case lawsuit against the federal government and asked the irrigators to submit bids based on the value of the water. To some, this bid data could then be used as justification in the ongoing litigation.

Recommended solutions identified through this study that could improve future administration and implementation of another WUMP-like opportunity:

Strategy #1: Use of a Public Agency (similar or equal to KWAPA)

- a) Start out with strategic planning for the Klamath Project that involves Project water users and Reclamation. This should be a formal, professionally facilitated process with the end result being the establishment of goals for Reclamation and the irrigation districts.

- b) Identify specific goals for the WUMP type program to achieve, as part of the Strategic Plan. Use the federal funds to accomplish specific goals identified from the Strategic Plan.
- c) Describe the tasks that are to be federally funded very clearly and carefully.
- d) Address conflict of interest issues 
- e) Create a policy committee consisting of diverse membership. The membership must include representation from Reclamation staff and Project irrigator stakeholders.
- f) Reclamation must have veto power on decisions outside the scope, goals, or needs of the contract and Strategic Plan, as well as any instances identified as a conflict of interest.
- g) The proposed policy should be reviewed by a committee whose members are non-local farmers to pass the "red face" test.
- h) Require Board (and new board members as they are selected) to attend orientation on the goals of the program and obtain grant administration training.

Strategy #2: Use of an Independent Contractor:

The responsibility of the contractor selected by Reclamation would be to facilitate policy development, outreach to those eligible to participate in the programs, individual program contracting, verification, and payment. More specifically, the contractor would:

- a) Assist with developing strategic planning for the Project that involves the irrigators and Reclamation.
- b) Identify specific goals, as part of the Strategic Plan that federal funds are authorized to accomplish.
 - a) Describe the tasks of the federally funded program very clearly and carefully.
 - b) Work at the direction of Reclamation.
 - c) Establish a policy development committee comprised of a cross section of the farm community and Reclamation staff.
 - d) Require the policy committee to attend a one-day training on administration of federal funds.
 - e) Keep a record of successes, problems and complaints as well as develop ideas and recommendations for improvements to the program and the efficient management of water in the Klamath Basin.

II. Use of federal Funds

The goal of any program within the Klamath Project utilizing federal funds should be creating a program to enhance and enable the Project water users to effectively distribute the available water supply of any given year so that they will be able to allocate water without federal funds being required.

Through administration and implementation of the WUMP study listed below are some recommendations that could be implemented in the future:

1. Develop a water exchange. This would allow those who are willing to sell all or part of their water allocation to a willing buyer.
2. Allow well owners to sell groundwater production to those willing to buy.
3. Develop knowledge of alternative crops. Including growing, harvesting and marketing.
4. Conduct a comprehensive review of the watershed from Upper Klamath Lake to Keno Dam to answer some basic questions that could assist in development of a future program. Questions include, but are not limited to:
 - How does the current condition of the forest affect water supplies?
 - Will juniper removal help?
 - How is groundwater pumping above Upper Klamath Lake affecting in-stream flow?
 - How much benefit does the Klamath Project actually receive from a water right call on junior water rights under the State of Oregon's Klamath Basin Adjudication?
 - How does The Klamath Tribes' water right impact the Klamath Project water supply?
 - How can the Project water users benefit from conservation?

Issues that should be noted, although they are not related to "stakeholder capability", that will impact any future programs include:

a. Groundwater pumping problems.

- In the course of implementing a groundwater program for the years 2010, 2012, 2013, 2014 and 2015, KWAPA contracted for a total of 324,632 acre-feet of water pumped groundwater. The benefit this provided is the equivalent of full year's allocation for the Project from Upper Klamath Lake and the Klamath River. That quantity of pumping came at a cost in addition to the \$11.33 million and an average drawdown of the groundwater levels of 30 feet.
- The amount of groundwater pumping done over the period of the WUMP is not sustainable. The WUMP paid for the U.S. Geological survey (USGS) to develop tools with which to estimate the volume of groundwater pumping that may be performed each year without causing undue stress on the aquifer.
 - KWAPA interpretation of the USGS tool is that never again can the groundwater aquifers within the boundaries of the Klamath Project sustain the same amount of groundwater pumping over a similar period. The conditions exist at this time for OWRD to initiate regulation of groundwater. In the future, it is recommended that groundwater pumping should be limited to no more than 30,000 acre-feet in any one year.

b. Land Idling problems

- There is land that participated in the land idling programs every year it was offered. Most of the land that participated every year is very low quality land. This land surely did not contribute the two acre-feet per acre it was credited for within the WUMP. Future land idling programs should have a mechanism to evaluate the actual water saved and payment made accordingly. Another idea is the establishment of a water exchange where the owner of that poor quality land can sell the allocation of water to a willing seller with higher quality land.

Conclusion

Overall, administration and implementation of the WUMP study proved successful as KWAPA became aware of the pros and cons of a stakeholder managed, multi-year program. Throughout the WUMP, KWAPA board members, individuals, district representatives, and political entities often contributed ideas and shared concerns focused on the pending water year crisis. As a result, goals and objectives and the strategies to implement them, were not well developed and long-term potential solutions were sacrificed at the cost of resolving the current year's water shortage needs.

It is good to have stakeholder needs as the core purpose of the program, but in the case of the WUMP the stakeholders did not demonstrate the vision and self-control to manage the WUMP under these circumstances. Future programs should be geared to use federal funds to develop self-reliance in times of shortage.

Administration of KWAPA

BOARD OF DIRECTORS:

Initially, the appointments and designations and election of officers to the KWAPA Board included:

Ed Bair – appointed by KID (elected Board Chair)

Rocky Liskey – appointed by KDD (elected Vice Chair)

John Crawford – appointed by TID (elected to Secretary/Treasurer)

- Gary Wright – designated by TID as alternate Board representative to John Crawford

Dave Cacka – Board member at large

Bill Heiney – Board member at large

The Board voted to hire Hollie Cannon as the Executive Director at their March 6, 2009 board meeting. Current administration follows.

Shasta View/Malin Irrigation District and KBID asked how they could join KWAPA. Bylaws were amended to allow their membership in 2009.

2015 Board of Directors	
Chairman	Ed Bair – then Dave Cacka following Ed Bair resignation in July 2015
Vice-Chairman	Bill Heiney
Secretary/Treasurer	Rocky Liskey
Board Member	Todd Koch
Board Member	Gary Wright
KWAPA District Members	
Klamath Irrigation District	
Klamath Drainage District	
Tulelake Irrigation District	
Shasta View Irrigation District	
Malin Irrigation District	
Klamath Basin Improvement District	
Klamath Hills Irrigation District	

Current Administration	
Executive Director	Hollie Cannon
Administrative Assistant	Vacant
Executive Assistant/HR & Grant Compliance Manager	Cathy Waters
Bookkeeper	Robin Huntsman
Project Manager	Julie Matthews
GIS Assistant	Gretchen Young
Attorney	William Ganong

Other Stakeholders (On and Off Project)

Other Klamath Project irrigation districts that have an interest in the activities of KWAPA, but are not members of this organization.

ADY District Improvement Company
Enterprise Irrigation District
Midland District Improvement Company
Pine Grove Irrigation District
Pioneer District Improvement Company
Plevna District Improvement Company
Poe Valley Irrigation District
Sunnyside Improvement District
Van Brimmer Ditch Company
Westside Improvement District
Langell Valley Irrigation District
Horsefly Irrigation District

Other Stakeholders (in addition to Bureau of Reclamation)

Klamath Water Users Association
Upper Klamath Water Users Association
Klamath Tribes
PacifiCorp
Oregon Water Resources Department
California Dept. of Water Resources
National Marine Fisheries Services

Other Klamath Project irrigation districts that have an interest in the activities of KWAPA, but are not members of this organization.

U.S. Fish and Wildlife Service

Lower Klamath and Tule Lake National Wildlife Refuges

Klamath County

Modoc County

Siskiyou County

State of Oregon

US Geological Survey

Klamath Project Irrigators

Other KBRA stakeholders/interested parties

Staff Knowledge, Training and Technical Capabilities

Hollie Cannon: Executive Director. Holds an Engineering degree, has 11 years ranching experience, 2 years surveying, 14 years water right consulting business, 21 years irrigation district manager. Since employed with KWAPA, Hollie has received the following training:

- Renewable Energy Engineering
- Completed Certification Program in Grants Management for Recipients from Management Concepts, Inc.
- Government to Government Purchasing and Resource Sharing
- GIS Databases/Geodatabases
- Close-out Procedures of Federal Grants

Cathy Waters: Bachelor degree in Business Management/HR, 17 years with PacifiCorp, 10 years accounting and tax preparation experience. Began employment with KWAPA as the bookkeeper, and now is the Executive Assistant/HR & Grants Compliance Manager. Cathy has received the following training.

- Completed Certification Program in Grants Management for Recipients from Management Concepts, Inc.
- Completed Certification Program in Grants Management for Federal Employees from Management Concepts, Inc.
- Special Districts of Oregon annual conferences provided training in HR practices, board roles and responsibilities, public meetings, record retention, public contracting, and safety.
- Grant Writing
- Employee Handbook training
- Government to Government Purchasing and Resource Sharing
- Close-out Procedures of Federal Grants
- MS Excel

Julie Matthews: Bachelor degree in Interior Design, 5 years with City of Klamath Falls Engineering/Planning Dept., 10 years with the Oregon Employment Department as a Business Representative. Family farm in Malin. Started out with KWAPA as Executive Assistant and moved into Project Manager. Julie has received the following training.

- Completed Certification Program in Grants Management for Recipients from Management Concepts, Inc.
- MS Project 2010
- Project Management
- GIS Essential Workflows
- GIS Geodatabases
- ArcGIS Online – Transforming GIS and How You Do Your Work
- NW GIS User Conference

Robin Huntsman: Associates Degree in Accounting, Bookkeeper for 16 years with high school, 8 years as secretary/bookkeeper for a Park District. Family farm in Tulelake, CA. Since employed with KWAPA, Robin has received the following training.

- Completed Certification Program in Grants Management for Recipients from Management Concepts, Inc.
- Payroll Law Training through Fred Pryor Seminars
- Close-out Procedures of Federal Grants

Gretchen Young: 13 years' experience as Administrative Services Coordinator with a Health Partnership, extensive customer service and project management experience. Since being employed with KWAPA, Gretchen has received the following training.

- MS Excel
- GIS
- GIS Geodatabases
- ArcGIS2: Essential Workflows
- NW GIS User Conference

SUMMARY OF WUMP AGREEMENT

The Water User Mitigation Plan (WUMP) is a cooperative agreement between the Klamath Water and Power Agency (KWAPA) and Bureau of Reclamation awarded on September 26, 2008. The purpose of the agreement was to 1) provide funding for KWAPA to investigate the capability of a local water authority to manage water supplementation programs within the Klamath Project and 2) acquire options to supplement up to 50,000 acre-feet of water supply to the Klamath Project

This supplementation of water supply is necessary due to increasing deliveries for fish and wildlife required by the ESA. The objective of this project is to examine the potential for stakeholder capability to manage market-based supplementation programs. KWAPA was to evaluate proposals for acquiring the highest quantity of water at the highest rate of return allowed.

MODIFICATIONS TO AGREEMENT

DATE	MODIFICATION #	AMOUNT AUTHORIZED	AMOUNT OBLIGATED	REASON
9/26/2008	Basic Agreement 08FC200020	\$11,250,000.00	\$3,750,000.00	Original obligation.
	Modification 1		\$2,000,000.00	Addition to obligation
12/23/2009	Modification 2		\$2,250,000.00	Addition to obligation
4/28/2010	Modification 3 changed Agreement# to R10AC20669 , Modification 4		\$3,000,000.00	Special allocation because of 2010 drought
7/13/2010	Modification 5	Increased total amount authorized to \$41,250,000.00 which includes \$3,000,000.00 for Clear Lake and Gerber.	\$2,000,000.00	Special allocation because of 2010 drought. Added Clear Lake and Gerber Reservoir obligation of \$500,000.
9/10/2010	Modification 6		\$8,037,686.72	Special Merkley allocation because of 2010 drought. Included an obligation of \$202,590.72 for Eastside: East Malone contractors.
11/02/2010	Modification 7		\$315,000.00	Added obligation for Eastside (includes funds for administration)
3/24/2011	Modification 8		\$1,500,000.00	Add funds, redo budget
7/21/2011	Modification 9		\$4,200,000.00	Further WUMP goals
9/15/2011	Modification 10		\$850,000.00	Establish a Data Center
9/30/2011	Modification 11		\$1,600,000.00	Establish a Data Center
12/20/2011	Modification 12		\$750,000.00	Regular allocation
4/27/2012	Modification 13	No cost extension	\$0.00	Extends end date to 12-31-2015
9/5/2012	Modification 14		\$1,200,000.00	

9/26/2012	Modification 15		\$500,000.00	Further WUMP goals
4/10/2013	Modification 16		\$0.00	Approves 2013 Budget. Defines Task 1 and 2 in greater detail
9/20/2013	Modification 17		\$2,300,000.00	Obligate 2013 Funds
7/15/2014	Modification 18		\$4,000,000.00	Obligates 2014 funds, approve budget including Indirect Cost Rate.
9/24/2014	Modification 19		\$2,997,313.28	Obligates balance of authorized funds.
2/09/2016	Modification 20		-\$2,200,000.00	De-obligated funds not expended due to lack of need. (Development of Communications Center not performed)
	Total Obligated Funds		\$39,050,000.00	

PROGRAM ACTIVITIES

The following items will be addressed for each program year.

- Water Supply Availability
 - Project shortage
 - Refuge shortage
- Policy development, goals and objectives,
- Policy implementation
 - Types of water and volumes of each type of water options acquired (i.e. 2000 acre-feet off stream storage)
 - Successes in acquisition
 - Benefit to fish and wildlife
- Ideas proposed but not accepted by Board
- Successes
 - Successes relative to the qualitative benchmarks
- Problems
 - Problems encountered in acquiring available water
 - Information on how the process could be better managed
- Concerns
- Benchmarks

Task 1 and 2 of the WUMP Agreement provides for KWAPA to (see Mod 16):

Investigate the capability of the local water authority to manage a water supplementation program within the Klamath Project. Acquire options for water to supplement Klamath Project supplies. Provide available water when necessary to meet Project requirements. Assess successes and problems of the program relative to the qualitative benchmarks of:

- a. Technical Capability
- b. Fiscal sustainability
- c. Professional conduct (conflict of interest)
- d. Dispute resolution
- e. Partnerships
- f. Flexibility
- g. Innovative solutions

In addition to the above, Task 1 was modified (Attachment 2 of Mod 16) directing KWAPA to contract with Oregon Water Resources Department (OWRD) for an Assistant Watermaster at OWRD. It was felt to be necessary for the efficiency of water use and water management during the post-adjudication period to ensure water is used as authorized. The overall objective of this is to reduce conflicts over water by facilitating KWAPA's coordination with OWRD.