

BYLAWS OF THE KLAMATH IRRIGATION DISTRICT

In accordance with ORS 545.221, the Board of Directors of the Klamath Irrigation District does hereby establish equitable rules, regulations, and bylaws for the efficient, economic and impartial distributions and use of water among the landowners. These Bylaws supplant all prior Bylaws.

ARTICLE 1. THE DISTRICT

1. Legal Status. The Klamath Irrigation District (“District”) is a municipal corporation formed and operating pursuant to Oregon Revised Statute Chapter 545. The District was established by “Order Declaring Result of Election” entered in the Circuit Court of the State of Oregon for the County of Klamath on December 10, 1917.
2. Boundaries. The District includes all territory within its boundaries as they now exist or are legally modified. The District will maintain as a public record an accurate and current description of the boundaries.
3. Divisions. The District is divided into five divisions numbered one (1) through (5) pursuant to ORS 545.207.
4. Principal Office. The principal office of the Klamath Irrigation District (the “District”) in the State of Oregon shall be located at 6640 KID Lane, Klamath Falls, OR 97603. The Board of Directors (the “Board” or “Directors”) may change the principal office of the District within the State of Oregon as it may determine from time to time in its sole discretion.
5. Fiscal Year. The fiscal year shall be established by the Board.

ARTICLE 2. BOARD OF DIRECTORS

1. Board of Directors. The District shall be governed by a five-member Board of Directors, which shall be the governing body of the District.
2. Qualifications. Each member of the Board of Directors shall be elected from one of the District’s five divisions. Directors must be residents of the State of Oregon and either a bona fide owner of land or shareholder of a bona fide corporate owner of land situated within the boundaries of the District’s division the Director is elected to represent.
3. Term of Office. The term of office of each Director shall be three-years. The terms of office commence on the date of the annual organizational meeting in January next following the election of the Director.
4. Staggered Terms. The terms of office of the Directors shall be staggered so that the term of office for no more than two Director positions terminate in any one year.

5. Oath of Office. A newly elected director shall take the official oath of office at the annual organizational meeting in January next following the election of the Director or as soon thereafter as possible as provided for in ORS 545.135(3).

6. Powers and duties vested in Board. All powers and duties that may be exercised by an irrigation district Board of Directors under the U.S. Constitution, the Oregon Constitution, federal, state, and local law, including specifically the powers described in ORS 545.221 and ORS 545.225, are hereby vested in the Board of Directors and its designees.

ARTICLE 3. BOARD OF DIRECTORS MEETINGS

1. Annual Organizational Meetings. The regular annual organizational meeting of the District will be held on the first Tuesday of January, or at such other time in January as set by resolution of the Directors.

2. Regular meetings. The Board of Directors shall hold regular monthly meetings at its office. The date and time of the regular monthly meetings shall be fixed by resolution of the Board at its annual organizational meetings. A regular monthly meeting may be postponed or scheduled at a different place or time consistent with ORS 192.630(4) at the discretion of the President or the Secretary of the Board.

3. Special Meetings. Special meetings of the Board of Directors when required for the proper transaction of District business may be called at any time by the President of the board, or requested by a majority of the Board of Directors. Five (5) days' notice of the meeting must be given by the Secretary of the Board to any Director who did not join in the request.

4. Emergency Meetings. Emergency meetings of the Board of Directors may be called by the Manager or any board member when an actual emergency exists.

5. Executive Sessions. The Board of Directors may meet in executive, or closed session, when authorized under ORS 192.660

6. Telephonic/Electronic Meetings. Any meeting of the Board may be accomplished in whole or in part by telephonic conference call or other electronic communications in accordance with Oregon's Public Meeting Law (ORS 192.670(1)).

7. Public Notice of Meetings. Notice of meetings shall be given to the public in accordance with ORS 192.640.

8. Conduct of Meetings. All meetings of the Board of Directors shall be open to the public except as otherwise provided under Oregon's Public Meeting Law. In the event a conflict arises over meeting procedures, Roberts Rules of Order shall govern, except as otherwise provided by law.

9. Agenda. The District Manager shall cause a written agenda to be prepared for each meeting in coordination with the Board President. The agenda shall include any business item requested by a Board member at least 24 hours before the meeting. The agenda shall be confirmed by the Board of Directors at the beginning of each meeting and may be amended by a motion approved by the Board of Directors.

10. Notice of Board Meetings. The District Manager shall cause notice of all Board meetings to be provided to Board members and the public in accordance with law.

11. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business by the District.
12. Minimum vote requirement. The affirmative vote of three Board members is required to approve any matter coming before the Board for action.
13. Vacancies and Election to Fill Vacancy. If a Board of Directors position becomes vacant for any reason, notwithstanding ORS 198.320, the remaining directors of the board shall appoint a resident of the State of Oregon who is a owner, or a shareholder of a corporate owner, of land situated in the division to serve until the next annual organizational meeting. The electors of the division shall elect a successor, from within the division, to replace the appointed director, who shall take office at the annual organizational meeting in January next following an election to fill the vacancy and shall serve the remainder of the term of the director who vacated the office.
14. Recall of Directors. A director may be removed from office only by recall conducted in accordance with state law.

ARTICLE 4. OFFICERS

1. Officers. The officers of the District shall consist of a President, a Vice-President, a Secretary, and such other officers as may be elected by the Board of Directors in accordance with law. The President and Vice-President must be members of the Board; appoint a secretary who may be a director or the manager of the District.
2. President. The President of the Board shall preside at all meetings of the Board of Directors of the District. The President may sign, together with the Secretary, Manager, or any other officer designated by the District, any contract, deed, mortgage, evidence of indebtedness or other document authorized to be executed by the Board of Directors, except where the Board of Directors, these Bylaws or applicable law has authorized execution by other parties. To the extent permitted by applicable law and these Bylaws, the President shall have all powers and perform all duties incident to the Office of President, or as otherwise designated by the Board.
3. Vice-President. In the absence of the President, the Vice-President shall act in place of the President and possess all the authority, powers and duties of the President during such time. To the extent permitted by applicable law and these Bylaws, the Vice-President shall have all powers and perform all duties incident to the Office of Vice-President, or as otherwise designated by the Board.
4. Secretary. The Secretary shall keep, or cause to be kept, the minutes of all meetings of the District and the Board and provide appropriate individuals with notice of such meetings; act as custodian of the corporate records and corporate seal; execute documents on behalf of the District as provided by these Bylaws, by authority of the Board or applicable law. The Secretary shall be responsible for the collection of all charges and assessments of the District; for preservation and maintenance of all funds, securities and related items of the District, and shall maintain full and complete books of account with respect thereto. The Secretary is responsible to ensure that all deposit funds of the District are deposited in such banks or other depositories and in such manner as is provided in these Bylaws, as directed by the Board, or as required by law. The Secretary shall perform all duties and functions of Secretary in the conduct of District Elections as provided by law.

5. Bond Requirement. Before handling or receiving any funds or collecting any charges or assessments, the Secretary of the District shall obtain and maintain in full force and effect a good and sufficient surety bond by an authorized surety company, in an amount not less than five percent (5%) of the annual incurred charges made by the District. In lieu thereof, the District may obtain employee crime and dishonesty insurance with limits not less than said amount. The cost of the bond or insurance shall be paid by the District.
6. Manner of Election. Officers shall be elected by the Board of Directors each year at its annual organizational meeting in January.
7. Term. The term for each officer shall be one year commencing on the date of their election at the annual organizational meeting in January until a successor is elected and qualified.
8. Vacancies. Any officer position of the District which becomes vacant prior to expiration of the normal term thereof for any reason, including resignation, removal, disqualification or death, may be filled by the Board for the unexpired portion of such normal term.
9. Removal of Officers. The Board of Directors may remove any officer of the District at any time, provided they determine that such removal is the best interests of the District.

ARTICLE 5. ELECTORS

1. Electors. Electors of the District includes every person 18 years of age or older, whether a resident of the district or State or not, who is an owner or purchaser under a recorded contract of purchase of land situated within the District and subject to the charges or assessments of the District.
2. Termination as Elector. One ceases to be an elector if one is no longer an owner of land within the District subject to the charges or assessments of the District.
3. Voting Rights of Electors. The voting rights of electors are as follows:
 - (a) Multiple Ownerships. If ownership is in estates by the entirety, tenants in common, or in other cases of multiple ownership, only one vote shall be allowed on behalf of all the owners under each multiple ownership. The vote may be cast by any one of the multiple owners. When two or more persons attempt to cast a vote under this paragraph, only the vote of the person who first casts a vote shall be counted. Voting by proxy is not allowed in irrigation district elections.
 - (b) Corporate Ownerships. Any corporation may vote as a single owner of land through any officer or agent when the officer or agent is authorized to vote by the corporation and the written authorization is filed with the Secretary of the District.
 - (c) Partnerships and Other Entities. Any general partnership, limited partnership or limited liability company may vote as a single owner of land through any general partner, member or agent when the general partner, member or agent is authorized to vote by the entity and written evidence of the authority of the general partner, member or agent is filed with the Secretary of the District.

- (d) Representative Ownerships. Any trustee of a trust, guardian, administrator or executor authorized to act as such of a person or estate owning land within the District shall be considered an owner of land for the purposes of the Irrigation District Law, when the owner in fee is not otherwise entitled to vote.
- (e) Weighted Voting. An owner of land or elector may vote according to the total amount of acreage within the District owned by the owner or elector that is subject to the charges of assessments of the District on the basis of:
 - (i) One vote for up to 40 acres;
 - (ii) Two votes for 40 or more but not more than 160 acres; and
 - (iii) Three votes for more than 160 acres.

ARTICLE 6. ELECTIONS

1. Annual Elections. An election shall be held on the second Tuesday in November of each year, at which one or more Directors shall be elected. Except when conducted by mail ballot, the election shall be conducted as provided in ORS 545.135 to 545.153. Voting and registration shall be conducted as nearly as practical in accordance with general election laws.
 - (a) The District shall provide nomination petitions to any District Member desiring to run for the office of director and will provide such other assistance as is appropriate. However, no District employee shall provide legal advice to a District member or prospective candidate.
2. Mail Ballot Elections. Upon resolution adopted by the Directors, any regular or special election may be conducted by mail as provided in ORS 545.163.
3. Special Elections. A special election may be called by resolution of the Directors at any time an election is required or permitted by law. Such election shall be conducted as required by any law providing for the election, and otherwise, as nearly as practicable, as provided in ORS 545.135 to 545.163.
4. Absentee Voting. Electors of the District shall be entitled to vote by absentee ballot. Absent electors may obtain a ballot and vote as nearly as practicable in the manner provided for absent electors in ORS Chapter 253.
5. Recall Election. Shall be conducted in accordance with state law.

ARTICLE 7. MANAGER

1. Employment of Manager. The Board shall employ a full-time Manager of the District who shall serve at the pleasure of the Board.
2. Duties of Manager. The Manager shall perform such duties and have such powers and authority as shall be provided in these Bylaws and as shall be prescribed from time to time by the Board. The duties and powers of the Manager shall include:

- (a) Maintaining a sufficient, competent body of employees to accomplish the District's goals.
- (b) Formulate an annual budget for the Board's consideration and advise the Board of Directors of the District's financial needs.
- (c) Devise appropriate methods and procedures to accomplish the District's policies.
- (d) Represent the District in the community at large regarding public relations, education, and legislation affecting the goals of the district.
- (e) Maintain an inventory of materials and equipment sufficient for operation and maintenance needs.
- (f) Making recommendations to the Board on policies and procedures.
- (g) Serve as Board Secretary if appointed by Board of Directors.

Except as provided in these Bylaws, or by law, or otherwise by the Board, the Manager shall be the chief executive officer of the District and responsible for managing the day-to-day business affairs of the District, supervising employees, and making personnel decisions.

ARTICLE 8. SUITS, CONTRACTS, CHECKS, BANKING, COLLECTIONS

1. Actions and Proceedings. The Board shall institute and maintain all actions and proceedings, suits at law or in equity, necessary or proper in order to fully carry out the purposes of the Irrigation District Law, or to enforce, maintain, protect, or preserve the rights, privileges, and immunities of the District and its members.
2. Contracts. The Board may authorize any officer or officers, manager agent or agents of the District, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances.
3. Checks, Other Instruments. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the District, shall be signed by such officer, officers, manager, agent, or agents and in such manner as shall be designated by the Board from time to time. In the absence of such designation, such instruments shall be signed by at least two members of the Board of Directors.
4. Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories as the Board may select. Where required by law, as with payments for bonded or contractual indebtedness, deposits shall be made to designated accounts.
5. Banking Procedures
 - (a) Banking and Investment Accounts. The District shall maintain such banking and investment accounts as the Board of Directors deems appropriate. All such accounts shall conform to the

requirements of Oregon law for the deposit and investment of public funds. A Resolution of the Board of Directors approving an account shall remain effective until revoked by the Board of Directors.

- (b) Reserve Funds. The Board of Directors may designate one or more accounts for Reserve Funds. The Board of Directors shall designate the financial institution(s) as the depository of such reserve funds. All such accounts shall be insured or collateralized in the manner required by law. In addition to financial institution, the Board of Directors may designate the Oregon Local Government Investment Pool for the investment of Reserve Funds. Generally, the District will strive to invest its reserve funds in such accounts as will provide the best return on the investment in a safe and secure manner. The Board shall review the District Reserve Fund investments and balances at each monthly meeting.
- (c) Signature Authority. Each of the members of the Board of Directors and the District's Manager, are authorized and empowered to make deposits and withdrawals from each account. All withdrawals shall require the signatures of two of the people authorized to make withdrawals.
- (d) Records Retention. All deposits and withdrawals shall be made in writing and copies shall be maintained in the District's records for not less than ten-years.
- (e) Vouchers. Vouchers supporting all withdrawals from each account for the prior month shall be reviewed and confirmed by the Board of Directors at the following monthly meeting.
- (f) Safety Deposit Boxes. The District may maintain one or more bank safety deposit boxes. The Manager of the District shall maintain an inventory of the contents of each such box in the District office. Persons designated by the Board are authorized to enter the safety deposit box(es).

6. Procedure for Charges and Collections.

- (a) Annual Budget. The Board of Directors shall adopt the annual budget for the ensuing fiscal year and establish the charge or charges required to properly fund the budget at its regular monthly meeting in November.
- (b) Continuing Charges. The charge or charges establish by the Board shall be continuing charges of the District until changed by further resolution of the Board.
- (c) Due Date Of Annual Charges. Annual charges shall be due and payable on or before March 1 of each year. All charges not paid by said due date shall earn interest at the statutory rate of 1.33% per month, or fraction of a month, until paid.
- (d) Delinquency Fees. Any account remaining unpaid on April 1 of the fiscal year shall be charged a delinquency fee in the sum of \$20. The District shall cause a Late Payment Notice to be mailed by certified mail, return receipt requested, to the last address known to the District for each such delinquent account.
- (e) Administrative Fee. Any account remaining unpaid on May 1 of each year shall be charged an administrative fee of \$150, and the District shall cause a Notice of Claim of Lien to be recorded in the Klamath County Clerk's office for each such account. The District shall cause

a Foreclosure Notice to be mailed by certified mail, return receipt requested to the last address known to the District for each such account.

- (f) Purpose of Fees. The purpose of the delinquency fees and administrative fees are to reimburse the District for the cost of preparing and mailing the Notices, the cost of preparing and recording the Notice of Claim of Lien, and the cost of removing the lien when the charges have been paid.
- (g) Foreclosure. Any account remaining unpaid on July 1 of each year that is at least one year delinquent or has an unpaid balance of at least \$1000 shall be referred to the District's attorney for foreclosure.
- (h) Application of Recovered Amounts. All payments received on account by the District shall be applied first to pay the costs of collection, including foreclosure expenses, the administrative fee, the late payment fee, then to interest accrued to the date payment is received, and then to earliest original charge.
- (i) Compromise. The Board of Directors may compromise or waive any charge or suspend any collection procedure when it, in its sole discretion, deems such action appropriate.

ARTICLE 9. BOOKS AND RECORDS

1. Maintenance and Inspection of Books and Records. The District shall keep and maintain books and records of account, minutes of all meetings of the Board, and shall keep at its principal office a record giving the name of the owners of lands subject to the charges and assessments of the District. In addition, the District shall keep and maintain, and make available for inspection, such records as may be required by federal and state law. Any books and records of the District, not subject to exclusion under Oregon's Public Records law, shall be open to the public inspection during business hours. All requests for copies of public records must be submitted in writing to the District Manager. The District will charge employee time, attorney time, and material fees for public information requests in accordance with District policy.
2. Annual Audit. The Board of Directors shall cause an annual audit of the District's financial records.

ARTICLE 10. GENERAL OPERATIONAL OBJECTIVES & PROCEDURES

1. Operational Objectives. The primary goal of the District shall be to acquire and maintain an assured, adequate water supply and to deliver water for beneficial use on qualified land within the Klamath Project. Subsidiary objectives in the administration of the affairs of the District shall also include:
 - (a) Provide, maintain, and protect appropriate agricultural drainage for lands within the District. The maintenance obligation of the District shall be restricted to drains having legal rights-of-ways or easements to either the United States or the Klamath Irrigation District, or such other drainage systems as may be specifically designated in writing by the Board of Directors.
 - (b) Conduct pest control on District right-of-ways and property.

- (c) Promote conservation of water and soil within the District.
- (d) Provide adequate financial and administrative capabilities for the efficient and economical operation of the District.
- (e) Keep the public informed, and defend the District from actions that would diminish its effectiveness and function.
- (f) Represent its water user members before governmental agencies, the legislature, Congress, and in such other forums as appropriate for the perfection and protection of their water rights.

2. Operational Procedures.

- (a) Water Delivery and General Service. Guidelines for District water users shall designate, in general, the points at which the District will make water deliveries for the use and benefit of member users at District expense. Water deliveries so made shall be a full and complete discharge of District's obligation of water deliveries to member users under the Irrigation District Law.
- (b) Water Orders. The District shall deliver/furnish water on demand in accordance with District policy, applicable contracts, and state and federal law.
- (c) Water Shortages. In time of short water supply due to over demand on certain sections of the delivery system or other causes, water delivery will be based upon a rotational use system among water users. The District Manager, or the Manager's designee, shall have direct supervisory responsibility for organizing and implementing a system of apportioning water. Water users may appeal water apportioning decisions in writing to the Board President and will be afforded an opportunity before hearing thereon.
- (d) Power to Stop Deliveries. The District reserves the right to stop delivery of water any time a water user is allowing waste. The District may also suspend or defer delivery to fields that are not properly ditched or checked up to make efficient use of water ordered. The District will cooperate with law enforcement or other agencies who request suspension of water deliveries if sufficient cause is presented to justify such action in the general interest of the community.
- (e) Unauthorized Use. No one shall be permitted to take water, or turn water off without authorization. Pumped delivery shall be governed by the same applicable rules and regulations as gravity delivery. Water users shall not adjust nor regulate check, turnouts, spills, or other facilities without specific permission from the responsible District representatives.
- (f) Charges. Each parcel of land within the District shall be charged for specific irrigable acreage. Use of District water, whether by gravity or sprinkler, shall be limited to the recognized irrigable acreage. Delivery of water shall be immediately suspended for any parcel upon which unauthorized acreage is being irrigated.
- (g) Shut-off Authority. The Board or Manager may authorize a District employee to shut off turnouts or pumps to enforce the policies expressed in this section.
- (h) Drain Discharges. All drain discharges must be made into the water area of the receiving drain. Each water user will be responsible for the quality of his or her drain discharges.

Anyone placing unauthorized material or creating a silt blockage in a drain or lateral through improper drainage, or pump placement, or other cause, shall be responsible for cost of maintenance, repair, and/or correction by the District.

- (i) Stock Grazing. By special arrangement with the District, stock grazing may be allowed on U.S. Government right of ways. Damage, however, to ditch or drain profiles may be repaired at the landowner's expense. Gates meeting District specifications will be required on traveled ditch banks that are fenced for private use. Gates not meeting specifications may be removed or replaced with gates by District personnel at the owner's expense.
- (j) Use of Excavated Materials. The use and removal of excavated materials placed on U.S. Government rights of ways in the construction or maintenance of District facilities is reserved exclusively for the District. No landowner or water user may remove or take any excavated material from its original location without express written consent from the Manager, the Manager's designee, or the Board.
- (k) Use of District Equipment. The Board may make available to any member user of the District, on an approved rate schedule, any machinery or equipment required for the normal operation of an irrigation district. The machinery or equipment may only be used by the member user for improvement of water distribution or drainage systems, at the convenience of the District, and within the boundaries of the district, unless approved by the Board.
- (l) Withholding of Delivery for Nonpayment. The District has the right to withhold delivery of water from any tract of land until all charges and fees against that parcel have been paid in full.

ARTICLE 11. PUBLIC CONTRACTING

1. Public Contracting. The Board of Directors has designated itself as the local contract review board for the District. The Board of Directors has adopted policies and procedures governing the purchase of supplies, material, and equipment for the District and the award of public contracts by the District. The Board may amend, waive, change, forego, or suspend any such policy or procedure as it may, in its sole discretion, deem appropriate under the circumstances then existing through a majority vote at public meeting.

ARTICLE 12. DISTRICT SEAL

1. Maintenance of District Seal. The Board shall provide a District Seal, which seal shall be in the form of a circle, and contain the name of the District and reference to the District as being a District in the State of Oregon.

**ARTICLE 13.
AMENDMENT TO BYLAWS**

1. Amendment by Board. These Bylaws may be amended, or repealed and new Bylaws adopted by a majority of the Board at any regular meeting thereof, or at any duly noticed and constituted meeting thereof.

IN WITNESS WHEREOF, the undersigned hereby certifies that these Bylaws of the Klamath Irrigation District were adopted by majority of Directors at a duly constituted meeting of the Board of Directors held on August 14, 2017.

BOARD OF KLAMATH IRRIGATION DISTRICT

OUT OF OFFICE

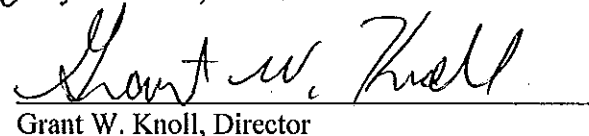
Gregory G. Carleton, President



Tyrel M. Kliewer, Vice-President



Jerry A. Enman, Director



Grant W. Knoll, Director