

MINUTES OF THE EXECUTIVE SESSION OF THE  
BOARD OF DIRECTORS MEETING OF  
KLAMATH RIVER RENEWAL CORPORATION  
March 18, 2020

1. Time and Place. The Board of Directors (“Board”) of Klamath River Renewal Corporation (the “Corporation”) held an Executive Session meeting of the Board on March 18, 2020 at 10:00 a.m. Pacific Time via telephone.
2. Attendance. The following Directors of the Corporation were present:

<b>Board Member</b>	<b>Appointing Authority</b>
Lester Snow	State of California
Jim Root	State of Oregon
Leon Szeptycki	State of California
Natalie Arroyo	State of California
Michael Barr	State of California
Ricardo Cano	State of California
Michael Carrier	State of Oregon
Laura Rose Day	American Rivers, California Trout, Northern California Council of Fly Fishers International, Sustainable Northwest, and Trout Unlimited
Wendy George	Karuk Tribe
Brian Johnson	American Rivers, California Trout, Northern California Council of Fly Fishers International, Sustainable Northwest, and Trout Unlimited
Theodore Kulongoski	State of Oregon
Frankie Joe Myers	Yurok Tribe
Glen Spain	Institute for Fisheries Resources and Pacific Coast Federation of Fishermen’s Associations
Krystyna Wolniakowski	State of Oregon
Amy Cordalis (Alternate)	Yurok Tribe
Curtis Knight (Alternate)	American Rivers, California Trout, Northern California Council of Fly Fishers International, Sustainable Northwest, and Trout Unlimited
Scott Williams (Alternate)	Yurok Tribe

No Board members were absent.

The following guests were also present by invitation of the Board:

<b>Name</b>	<b>Title and Affiliation</b>
Mark Bransom	Chief Executive Officer, Klamath River Renewal Corporation

Matt Cox	Communications Director, Klamath River Renewal Corporation
Nick Drury	Sponsor, Kiewit Infrastructure West Co.
Laura Hazlett	Chief Operations and Financial Officer, Klamath River Renewal Corporation
Mort McMillen	Executive Vice President, McMillen Jacobs Associates
Olivia Mahony	Manager, Board and Special Projects, Klamath River Renewal Corporation
Dave Meurer	Community Liaison, Klamath River Renewal Corporation
Jeff Petersen	Senior Vice President, Kiewit Infrastructure West Co.
Richard Roos-Collins	Principal, Water and Power Law Group PC
Kristin Silva	Financial Analyst, Klamath River Renewal Corporation

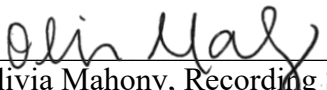
3. Call to Order. Mr. Snow called the meeting to order and acted as Chair thereof, and Ms. Mahony acted as Recording Secretary of the meeting. After a roll call of Directors, Mr. Snow announced that a quorum of the Directors was present and that the meeting, having been duly convened, was ready to proceed with its business.
4. Approval of Consent Agenda. Mr. Snow proposed to reorganize the agenda based on the status of current discussions. Upon motion duly made by Mr. Barr and seconded by Mr. Spain, the modified agenda of the meeting, the minutes of the December 3, 2019 General Session meeting, and the minutes of the December 3, 2019 Executive Session meeting were unanimously approved.
5. Project Status Overview.
  - a. Outcomes from March 17, 2020 Klamath Hydroelectric Settlement Agreement (KHSA) Principals Meeting. Mr. Snow, Mr. Root, and Mr. Szeptycki presented outcomes from the March 17, 2020 KHSA Principals meeting. There was further discussion about outcomes, including the appropriate regulatory pathway to ensure reservoir drawdown can commence in January 2022 and Principals' approaches to those pathways and timelines.
    - i. There was discussion about the Independent Board of Consultants' (BOC) continued focus on "Plan B" and potential options to continue the development of that strategy.
    - ii. There was also discussion about specific coordination strategies to ensure alignment with KHSA Principals, Signatories, and stakeholders about the project timeline and potential Federal Energy Regulatory Commission (FERC) action.
  - b. Independent BOC. Mr. Bransom and Mr. Roos-Collins provided an overview of the independent BOC's draft Final Report and the schedule to respond to the BOC's recommendations and submit the Report to FERC. There was discussion about the status of the applications with FERC.

6. Project Funding.
  - a. Risks and Opportunities. Ms. Hazlett provided an overview of potential risks and opportunities included in the Kiewit Infrastructure West Co. (Kiewit) and Resource Environment Solutions (RES) Guaranteed Maximum Price (GMP) numbers, as well as in the full project budget.
  - b. Costs of a Year Delay. Ms. Hazlett then presented the estimated cost of a year delay and the assumptions included in that estimate. There was further discussion about the costs associated with a delay.
    - i. There was discussion about the potential impacts from the COVID-19 pandemic and potential communications strategies regarding the positive economic impacts of the project itself and resulting effects to the region and country.
  - c. Partial Removal Alternative. Mr. Drury presented an overview of Kiewit’s partial removal alternative, including the scope of the alternative and potential savings and costs associated with it. There was further discussion about the alternative including the relative positive and negatives of the approach. It was decided that staff would continue to develop the partial removal alternative as a potential “Plan B” strategy to be considered and discussed further.
7. Finance Committee Update.
  - a. Mr. Szeptycki presented the Finance Committee’s recommendation to prepare a budget adjustment for FY20 to account for \$3.9M budgeted for Kiewit and RES in fiscal year 2019 that is now being spent in fiscal year 2020 due to timing and difficulties with access. The adjustment does not impact the overall budget, as it is not an increase in expenses and rather a result of timing. As final documentation for the adjustment was still in development, the Finance Committee requested that the Board approve pursuing a budget adjustment, which would ultimately be approved by the Executive Committee.
    - i. Upon motion duly made by Mr. Spain and seconded by Ms. Day, the Board unanimously approved preparing a budget adjustment of \$3.9M for fiscal year 2020 to account for funds anticipated to have been spent by Kiewit and RES in fiscal year 2019, and approved giving the Executive Committee the authority to approve the final budget adjustment once complete.
  - b. Mr. Szeptycki then provided the update that the Finance Committee approved shifting California bond money currently being held in Treasuries to a Money Market Account in the short term, given the status of the market. He then provided an update on the status of the Internal Revenue Service (IRS) 990 Form. Ms. Hazlett then presented the Q2 fiscal year 2020 financials of the Corporation. There was discussion about work of the Corporation and current areas of focus.
8. FERC Strategy. Mr. Roos-Collins presented the status of work to ensure FERC notices the Surrender application and begins the National Environmental Protection Act (NEPA) review by the Corporation’s required timeline to ensure drawdown can commence in January 2022. There was discussion about an update to the 2016 Surrender application Project Description, the potential of an Applicant-Prepared Environmental Assessment

(AP-EA), and the status of local Memoranda of Understanding (MOU). There was then discussion of appropriate timing and coordination with KHSA Signatories and Principals on these strategies and work products.

- a. There was discussion of PacifiCorp's rejection of the options listed in the Corporation's March 13, 2020 Memorandum of Options to Advance the Surrender Application, and the ramifications of that rejection on the Corporation's FERC strategy. It was noted that PacifiCorp's position is increasing risk for the project.
9. Other Critical Path Items. Mr. Roos-Collins provided an update on the status of the Property Transfer Agreement with PacifiCorp and the States of California and Oregon, the Hatchery Management Plan, and the MOU with PacifiCorp regarding how to manage the status of being joint non-federal representatives for the Endangered Species Act (ESA) consultation. There was discussion about the critical path items and schedule.
  10. Update on Annual Officer Elections. There was discussion about the upcoming June 2020 annual election of Officers during the June 2020 Board meeting, per the Bylaws.
  11. Adjourn. There being no more business in front of the Board and upon motion duly made by Mr. Johnson and seconded by Mr. Root, Executive Session was adjourned at 2:00 p.m. Pacific Time.

Respectfully submitted,

  
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Olivia Mahony, Recording Secretary

  
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Leon Szeptycki, Secretary of the Corporation