



ANNUAL REPORT

2016



In Review

Our City

The City of Klamath Falls is home to the 173rd Fighter Wing of the Air National Guard, 2004, 2008 and 2012 National Champion OIT Hustlin' Owls basketball team and host of the 2015 Babe Ruth World Series at historic Kiger Stadium. Klamath Falls offers unique natural resources such as geothermal heat, which allows our municipal Ella Redkey swimming pool to be open year-round. There are many outdoor activities to enjoy, including a visit to Crater Lake National Park.



FROM THE MAYOR

Hello, again!

The City of Klamath Falls flourished in 2016 with the return of air service to Portland, even adding an extra flight after operating for only 30 days! This will greatly enhance the Air National Guard's mission to train pilots, and more deeply show our commitment to their operations. The OHSU/OIT/SLMC triumvirate started what will become an extremely positive benefit to the medical and academic facets of our economy. These seeds we have planted will bear fruit well into the future as more and better housing options lead the way for more amenities for our citizens.

As the case every year, staff endeavored to strive for more efficient operations and better means to serve our citizens. Technological advancements are improving the quality of our day to day business, and the Planning Commission completed revision of the Community Development Ordinances that will guide future development in a fair and orderly manner. I'm proud of all our staff and boards for always doing their best.

“And a time to every purpose” wrote songwriter Pete Seeger in the classic song Turn, Turn, Turn, inspired by the book of Ecclesiastes. Thank you all.





2016 City Elections

Klamath Falls residents are represented through a Mayor-Council form of local government with an elected Mayor and five City Councilors. Regular City elections are held at the same time as biennial general state elections and an election was held on November 8, 2016 for the purposes of voting for Mayor and Council positions in Wards 1 and 2.

To be eligible for City elected office, a prospective candidate must be a registered voter and must have resided in the City continuously for four years immediately preceding the election. City Council candidates must also be residents of their Ward where the Mayor position is elected at-large.

Through November 8, 2016 election results, Carol Westfall was elected for the office of Mayor, Phil Studenberg was elected as Ward 1 Councilor, and Kendall Bell was elected as Ward 2 Councilor.

The next regular City election will be held in November, 2018 for the purposes of voting for Council positions in Ward 3, presently served by Matt Dodson, Ward 4, presently served by Dan Tofell, and Ward 5, presently served by Bill Adams.

For a more detailed breakdown of *2016 election results* and to view the City Council Ward Map, *visit our WEBSITE*



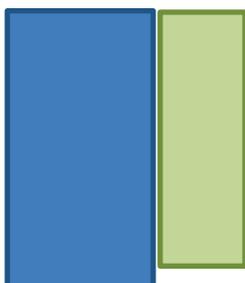
Ward 1 Councilman
Phil Studenberg



Ward 2 Councilwoman
Kendall Bell



Mayor
Carol Westfall





Finance



Top left to right: Geoff LeGault (Senior Accountant), Jessica Lindsay (Accounting Manager), Shelly Ferr (Payroll Technician), Judy Neiswender (Accounts Receivable), Joyce Parenti (Accounts Payable), Amy Hiatt (Accountant)

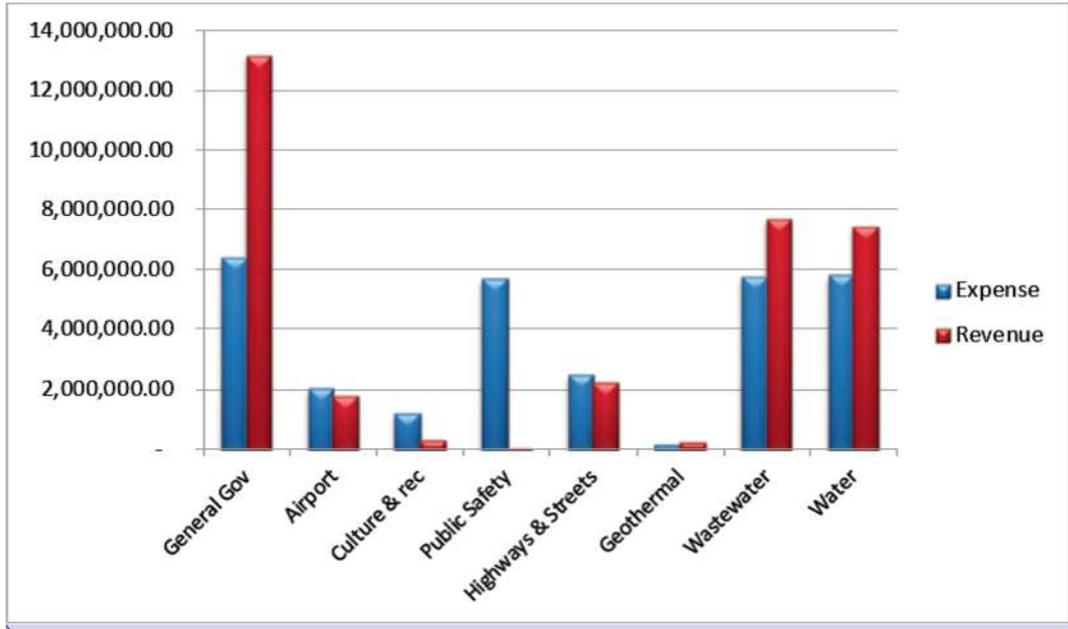
Bottom: The Finance Department has been receiving the Certificate of Achievement for Excellence in Financial Reporting for over 25 years. The 2016 review has not been completed but we are expected to receive the award once again.

The Finance Department is working to create a successful structure in order to complete all required processing,

reports and projects. We continually work to take advantage of new technology and utilize more electronic services. This includes cutting down on the number of checks being printed and mailed and processing more EFT & ACH transactions for both A/P and Payroll. We are also working to take advantage of paperless options and new processes

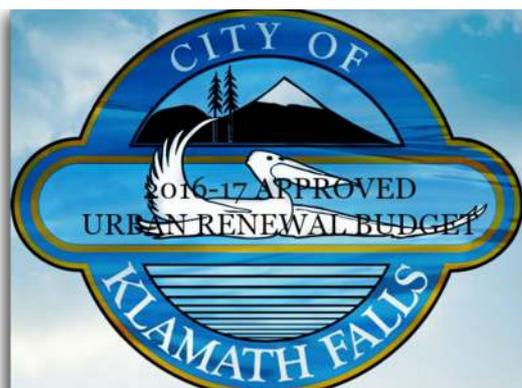
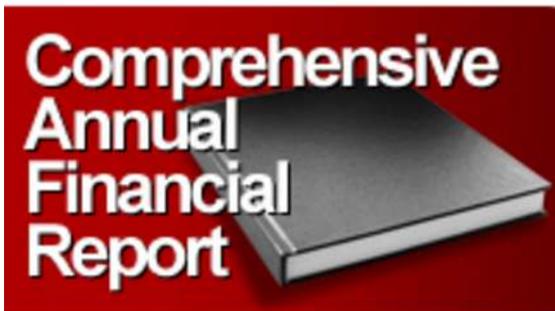


Expense & Program Revenues - Government Activities - 2016 Estimate**



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offered by our Tyler Incode system and work with other departments to improve and create better processes. Payroll is working to implement an electronic time entry system and offer more paperless options as well.

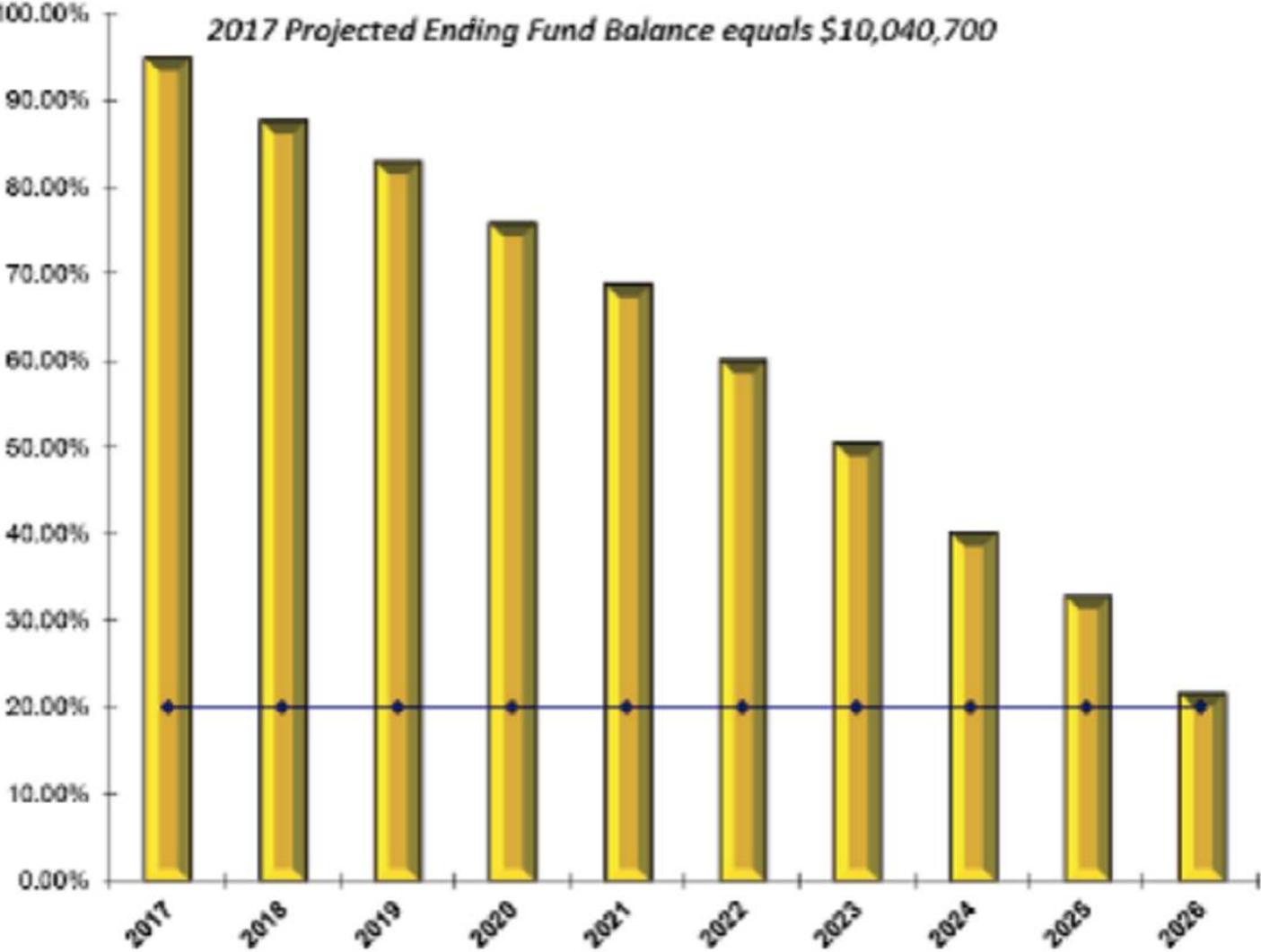




Projected Ending Balances General Fund



2017 Projected Ending Fund Balance equals \$10,040,700



The Chart above shows our projected net working capital for the general fund if this budget is fully implemented. While we have made great improvements in the last few years, the slope of the chart shows a steady decline. Additionally, items like PERS, Healthcare, and depressed commercial property values will continue to put downward pressure on the budget.



Sugarman's Corner

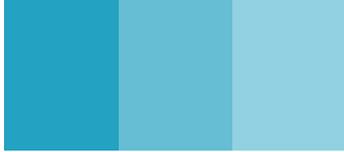


Downtown Pocket Park

Spurring cultural & economic revitalization and creating a sense of pride and place.







Police Department

2016 Annual Report



Our motto, "Policing with Purpose," describes our proactive policing philosophy and strong work ethic.

The Klamath Falls Police Department aspires to promote a desirable community where citizens are proud to reside, work, and raise families without fear of crime. We strive for strong community partnerships to align policing practices with community needs and expectations. Our motto, "Policing with Purpose," describes our proactive policing philosophy and strong work ethic.

We are committed to creating an environment where our community feels safe and thoroughly investigate crime to hold offenders accountable. 2,171 people were arrested or cited for violations of state and municipal laws. Officers average a response time of 3 minutes and 10 seconds to all calls for

service within the city limits of Klamath Falls.

KFPD successfully cleared 60% of all person crimes by making arrests and presenting cases to the Klamath County District Attorney's Office for prosecution. Person crimes include murder, assault, kidnap, and rape. Our clearance rate for property crimes (burglary, theft, arson, stolen vehicles, etc.) is 46%. Crimes that have a negative impact on the quality of life in Klamath Falls are swiftly addressed and KFPD officers cleared 70% of crimes and violations against our community (drug offenses, DUII, alcohol offenses, weapon offenses, etc.)



The Klamath Falls Police Department responded to and/or generated 37,179 police related incidents. This includes 20,932 requests for service from citizens and 16,247 officer initiated police actions.



Officers conducted 1,674 extra community patrols and proactively talked with 3,716 people. KFPD deploys this proactive approach to policing to fully understand community needs and concerns, reduce crime, enhance community safety, and hold people accountable to community expectations. 6,207 traffic stops were performed in an effort to proactively educate drivers of traffic laws and mitigate traffic collisions.



Life Saving Award

TOP: Officer Taylor Herbst receives her Life Saving Award

BOTTOM: Officer Thomas Reif receives his Life Saving Award



Officers Reif and Herbst received the City of Klamath Falls Police Department Life Saving Award for exceptionally swift and

decisive performance while saving the life of a man on October 22, 2015. Officers Reif and Herbst responded to Division Street on the report of a male subject attempting suicide by hanging himself in the garage. Officer Reif and Officer Herbst arrived on scene and quickly made their way through the house and to the door entering the garage. The suicidal male announced from the garage he was

“The decisive actions and exceptional performance of the officers resulted in saving the man’s life.”

armed with a gun. Not sure what to expect inside the garage, the officers cautiously looked in. Officer Reif observed the man was not armed, but saw the man kick away the table he was standing on. Officer Reif observed the man’s body suspended in the air with an extension cord wrapped securely around his neck. Officer Reif and Officer Herbst immediately entered the garage to render aid. Officer Reif grabbed the man’s legs and lifted his body enough to ease the tension of the cord around his neck.

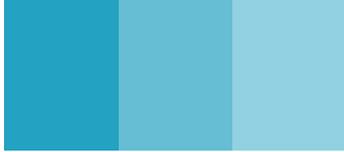
Officer Herbst cut the extension cord, and both officers assisted the man to the ground. The decisive actions and exceptional performance of the officers resulted in saving the man’s life.

VOLUNTEERS IN POLICING (VIPs)

The KFPD is honored to have 7 highly motivated and dedicated volunteers. Our volunteers, known as VIPs, help the Department in a variety of ways including: vehicle maintenance, traffic surveys, community outreach, child safety ID kits, Drug Take Back events and crime prevention efforts. The VIPs donate a tremendous amount of time to help our community. On average, 250 hours are donated by the VIPs each month.



The Klamath Falls Police Department Volunteers in Policing were recognized by the United Way as the 2016 Klamath County Volunteers of the year Public Service / Public Safety Division.



OFFICER OF THE YEAR

Officer Yahwee was hired in February of 2013. Daily, she lives up to the core values of our department which is evident through her day to day interactions with the public and fellow employees. Officer Yahwee is extremely thorough, tenacious, and her attention to detail is a positive example for other officers.

Officer Yahwee became a state certified Drug Recognition Expert this past year, which is a significant achievement and difficult to achieve. She was recently selected to serve our department as a Training Officer and

recently completed the Police Training Officer Program.

Officer Yahwee is a highly motivated person who continually demonstrates excellent teamwork and professionalism. Her exemplary job performance demonstrates her commitment to our department and more importantly to the public she serves.

Without a doubt, Officer Yahwee is a “go-getter” that takes initiative and quickly accomplishes tasks. She is decisive in her actions and is not afraid to show empathy and compassion while interacting with the public.

OFFICER and RESERVE OFFICER OF THE YEAR

RESERVE OFFICER OF THE YEAR

Reserve Officer Mulcare became a Reserve Officer and successfully completing over 328 hours of training through the Basic Reserve Academy.

During his time at our Department, Reserve Officer Mulcare volunteered numerous hours to the Klamath Falls Police Department and to the City of Klamath Falls. He always has a “can do” positive attitude and is very eager to learn. He takes on new assignments without hesitation, is highly motivated and inspirational to other officers. He was promoted to Reserve Sergeant approximately 6 months ago and has done an excellent job leading and motivating the Reserve Program.

Due to his tenacity, commitment, and determination, he was recently appointed to Reserve Lieutenant. Reserve Officer Mulcare is always willing to help others and is well respected by his supervisors and peers. He is a highly valued member of, not only our Reserve Program, but the Klamath Falls Police Department.



COMMUNITY FOCUSED

The Klamath Falls Police Department takes great pride in the Klamath Falls community. Officers take part in a number of events meant to reach out, help, communicate and connect with community members. Police officers helped make the Christmas season enjoyable for 40 children and their families at this year's Shop with a Cop. Shop with a Cop pairs a Police Officer with a child from the community. They enjoy dinner and shopping for Christmas gifts for their families. The police officers and children go to the Police Department where the gifts are wrapped by volunteers, and the officers and children enjoy games and conversation.



“The Klamath Falls Police Department takes great pride in the Klamath Falls community.”

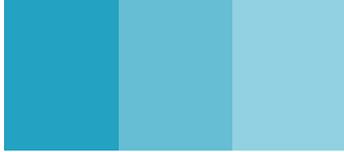
At the conclusion of the evening, the children are sent home with wrapped gifts and a complete Christmas dinner for their families. This event could not be possible without the overwhelming support of local business and community members.

Each year, the Klamath Falls Police Department teams up with other law enforcement agencies and Klamath County Fire District 1 to play a friendly game of softball, and raise money for a local charity. The “Guns and Axes” softball game raised \$7,838 for Klamath County Special Olympics and Steen Sports Park. This year’s event, again, had tremendous support from the community whom we would like to thank for their continued support.

Seeking to connect with the community, the Klamath Falls Police Department invited the community to have a cup of coffee with a cop. This is a national event that the police department participated in for the first time this year. Coffee with a Cop brings police officers and the community members we serve together – over coffee – to discuss issues and learn more about each other. In a short time, citizens and police officers get to know each other and discover mutual goals for our community. This event was a success and the Klamath Falls Police Department will continue to look for ways to connect with the community.



Coffee With a Cop event hosted by The Daily Bagel



Law Enforcement Accreditation

In July of 2016, the department joined the Oregon Accreditation Alliance (OAA) with the goal of becoming an accredited police agency. Complying with state accreditation standards will enhance the professionalism of the Klamath Falls Police Dept. and strengthen trust from the Basin community.

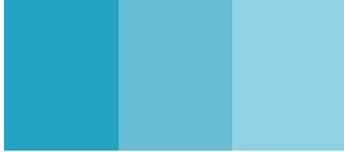
The Oregon Accreditation Alliance was formed in April in 2001 under the direction and authority of the Oregon Association Chiefs of Police, the Oregon State Sheriff's Association, and the Association of Public Safety Communications Officials. The intent of the Oregon Accreditation Alliance is to improve the quality of law enforcement services provided to citizens. The Alliance supports and endorses the continued improvement of law enforcement services by establishing professional standards of accountability, management, and operations.

Why is the Klamath Falls Police Department working to become accredited?

OAA standards are intended to make our agency more professional while improving the services we provide to our community. There is no conceivable reason an agency would not want to comply with accreditation standards whether or not they participate in a formal accreditation process.

What is the process?

- a) Application Phase: Agencies apply for membership in the Oregon Accreditation Alliance, complete a working agreement, and receive necessary materials to assist in the next phases.
- b) Self-Assessment Phase: Agencies begin the process of determining their level of compliance with Oregon Accreditation Alliance standards. Agencies develop files to compile “proofs” of compliance. In this phase, policies and procedures undergo a thorough review, and are updated/revised as necessary.
- c) Onsite Assessment: One or more Oregon Accreditation Alliance assessor(s) will review policies, procedures, and practices against the standards to ensure necessary compliance is met.



A report will be compiled and forwarded to the Oregon Accreditation Alliance Board for review. If approved, a nomination to award accreditation will be made to the Oregon Association of Chiefs of Police.

d) Review and Decision: The Oregon Association of Chiefs of Police will review the OAA Board nomination and decide to award or defer accreditation. A date, time and location are arranged for formal presentation of the award, which is usually at the Oregon Association of Chiefs of Police annual banquet.

e) Re-Accreditation: In order to maintain accredited status, an agency must provide annual documentation of continued compliance and undergo an onsite assessment every 3 years.

Where are we now?

We have completed the Application Phase and are currently working through the Self-Assessment Phase. It generally takes 18-24 months to complete this phase, however we are working to complete an onsite assessment prior to the end of July, 2017.

BINET - The Basin Interagency Narcotics Enforcement Team

The Basin Interagency Narcotics Enforcement Team, which is comprised of members of the Klamath Falls Police Department, Oregon State Police, and the Klamath County District Attorney's Office, became fully operational in July 2016.

The team has had great success investigating and apprehending drug offenders, disrupting drug trafficking organizations, and reducing violent crime in Klamath County.

In the first three months, BINET initiated over 50 investigations, arrested 20 people, seized over 18 pounds of methamphetamine, over 2 ounces of heroin, and over 500 illegally grown marijuana plants.

BINET has recovered 4 illegally possessed firearms, served 8 search warrants, and recovered numerous articles of stolen property throughout the Klamath Basin.

Team members are focused on positive relationships with all law enforcement agencies to include municipal, state, and federal law enforcement partners. Each member is also an active member of the Klamath County Major Crime Team.

Special Weapons and Tactics (SWAT)

Any community can be the victim of a major violent incident. Therefore, it is critical to have a system in place to respond immediately. SWAT members from the Klamath Falls Police Department are dedicated police officers specially equipped and trained. They work as a coordinated team to resolve critical incidents that are so hazardous, complex or unusual that they may exceed the capabilities of first responders or investigative units.

Klamath Falls SWAT is capable of handling several types of high risk incidents to include hostage situations, barricaded suspects, snipers, and terrorist acts.

The unit may also be used to serve high-risk search and arrest warrants where public safety issues necessitate the use of a specialized team.

The main objective of Klamath Falls SWAT is to take control of situations where lives may be in jeopardy. Our continued goal is to effectively apprehend and/or safely resolve a situation without the use of force.

Each SWAT team member has volunteered for the assignment and are required to pass a difficult selection process. The officers are highly motivated and accomplished individuals who continually train on tactics, firearms proficiency and scenarios.



Klamath Falls SWAT is an inter-agency part-time unit consisting of twelve sworn KFPD police officers as SWAT command and operators, three firefighter / paramedics from Klamath County Fire District #1 as tactical emergency medics (T.E.M.S.), and four specially trained crisis negotiators from the Klamath Falls Police Department, Klamath County Sheriff's Office and Klamath Community Corrections.



SWAT members are deployed throughout the Patrol and Investigative Divisions and maintain operational readiness at all times. Klamath Falls SWAT is a member of the National Tactical Officer Association (N.T.O.A.) and Oregon Tactical Officer Association (O.T.O.A.).

Klamath Falls SWAT routinely trains with our law enforcement partners throughout the State.

K9 Unit



▼ Officer Bill Warner and apprehension trained partner Ares

The Canine Unit is supervised by Sgt. Aaron Thomas and is composed of Officer Kamron Gordon and drug detection trained partner Spur, Officer Trahern Fox and apprehension trained partner Gunner, Officer Aimee Reichlin and drug detection trained partner Scarlett, and Officer Bill Warner and apprehension trained partner Ares.

▲ Officer Trahern Fox and apprehension trained partner Gunner

The Klamath Falls Police Department currently deploys 2 apprehension K9 teams and 2 drug detection K9 teams.

The K9 teams provide a valuable service to our community and are routinely used for tracking, apprehending dangerous subjects, searching for evidence, locating illegal drugs, and community outreach events.



K9 Unit

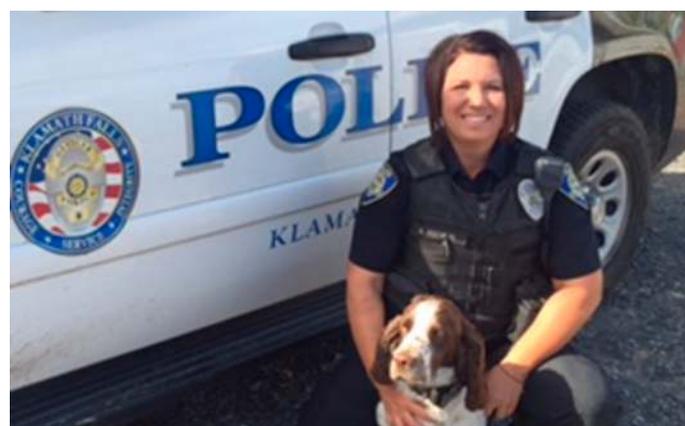


▲ Left: Officer Gordon & drug detection partner Spur. Right: Officer Fox & Gunner

Gunner will be retiring at the end of this year after 10 years of honorable service to our community and he will be greatly missed.



▼ Officer Aimee Reichlin & drug detection trained partner Scarlett



◀ Officer Reichlin & Scarlett at exhibition event.

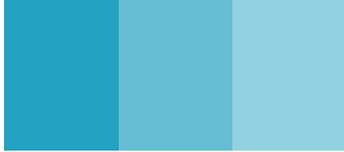




KLAMATH FALLS POLICE OFFICERS RECEIVE MEDAL OF VALOR

On September 27, 2016, Officers Bill Warner and Labeads Yahwee responded to assist a developmentally delayed and emotionally distraught adult male who walked away from his care home. As the officers responded, they were informed the male jumped into the canal from the bridge on Eberlien Street. Arriving on scene, the officers observed the man attempting to tread water and the swift current pulling the man further downstream. The man was completely submerged with only his hands visible above the water and it was obvious to the officers the man was going to drown if they did not immediately intervene. Officers Warner and Yahwee quickly removed their police duty gear and jumped into the water to rescue the man. They swam to the man, pulled him above water, and calmed him while they fought the current and swam with him to the shore. The decisive actions and exceptional performance of the officers resulted in saving the man's life.





The decisions and actions of Officer Warner and Officer Yahwee reflect great credit upon themselves, their families, and the law enforcement profession.

Equally as important, their actions demonstrate and exemplify the core values of the City of Klamath Falls Police Department: Courage, Service and Integrity.

Lake Jam 2016



Veterans Park

Michael Nunes and the Lake Jam event hosted 53 teams with an estimated crowd of 1,750 people over two days!







Crater Lake - Klamath Falls Regional Airport

2016 Annual Report



Top: Joe Goetz - New Airport Operations Manager in his office.

Bottom: PenAir Ribbon Cutting. Local community leaders join Senator Merkley in the ribbon cutting ceremony for the inaugural PenAir arrival in Klamath Falls on October 5th.

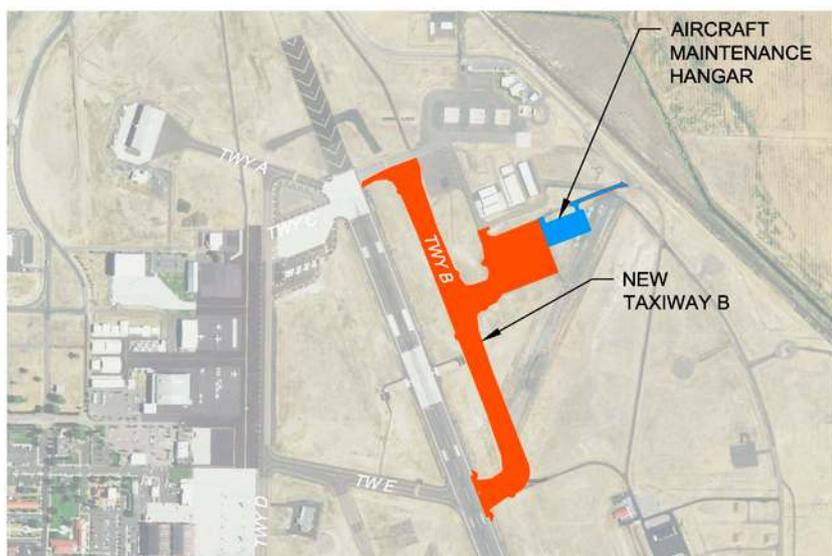
Airport Regains Commercial Air Service. October 5th was a day of celebration for the Crater Lake - Klamath

Regional Airport as commercial flights once again began serving the community after a two year absence. PenAir, a company with over 60 years of operating experience, began daily service to and from Portland with their Saab 340 aircraft. The day was celebrated with ribbon cutting ceremonies both in Portland & Klamath Falls.

Airport Receives \$10 million in Grants to Fund Construction Projects in 2017

The Airport will move forward with construction of a new taxiway and aircraft hangar on the eastside of the airport in 2017 after receiving over \$10 million in grants to fund the two projects. The FAA is funding the new taxiway, which will be designated Twy B and will run parallel to the main runway between the north end of the airfield and Twy E.

At the same time the taxiway is constructed, the eastside aircraft ramp will be strengthened to handle heavier aircraft. Through the State of Oregon, the Airport received a ConnectOregon grant to build a 30,000 square foot aircraft hangar adjacent to the eastside aircraft ramp. As with Twy B, the hangar will be constructed in the summer of 2017 and be ready for occupancy by the fall.



The FAA will fund construction of a new Taxiway B and the strengthening of the eastside aircraft ramp (shown in red) while a State of Oregon ConnectOregon grant will fund the construction of an aircraft hangar (shown in blue).

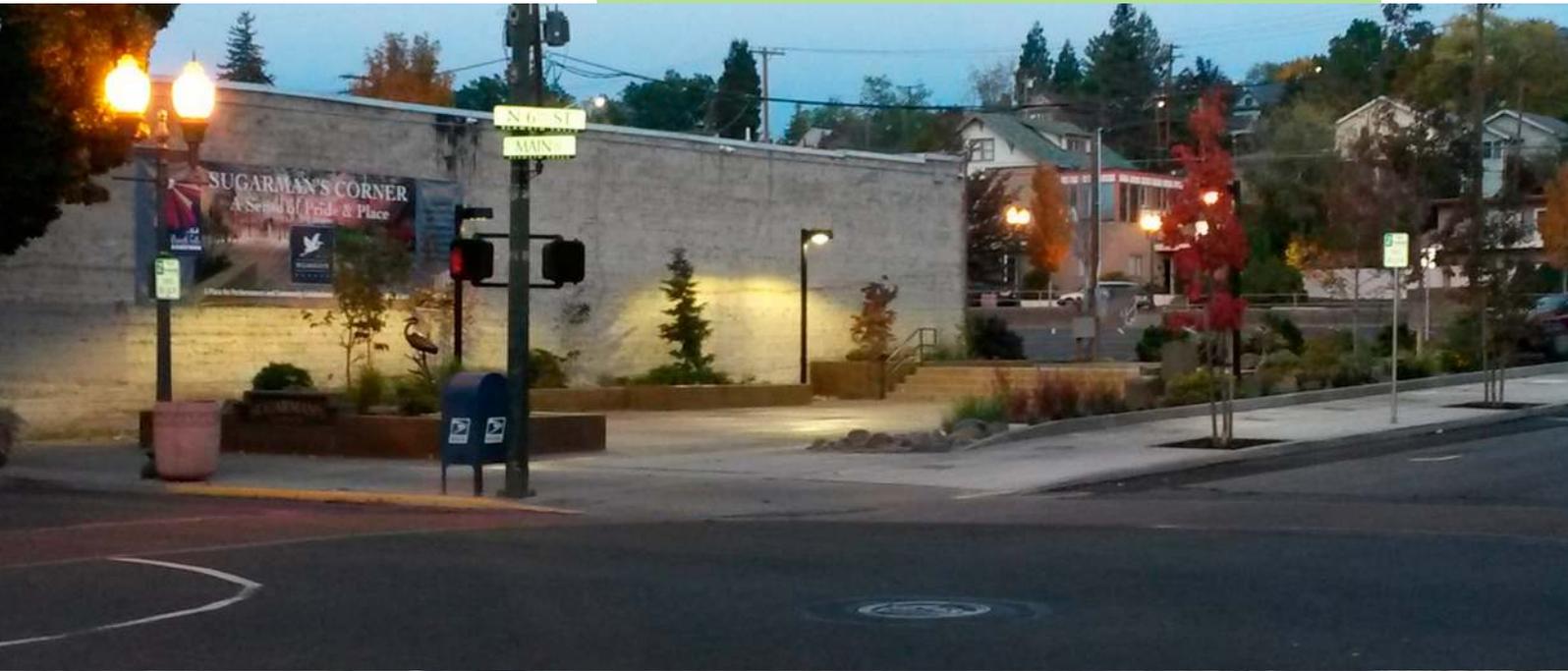


Top: Airport Director John Barsalou, A.A.E. was recognized by the Northwest Chapter of the American Assn. of Airport Executives (NWAAAE) and the Oregon Airport Management Association (OAMA) at their annual conference in 2016. John received the NWAAAE President's Award for Leadership Excellence and the OAMMA President's Award for his role in the creation of the Treating Small Airports with Fairness Act (or "TSA Fairness Act") which was instrumental in restoring TSA services at not only the Crater Lake - Klamath Regional Airport but other airports across the country as well.

Bottom: Airport Director John Barsalou and retiring Airport Operations Manager Bill Hancock



Maintenance & Street Lighting



Top: The Maintenance Division played a role in, along with other City Divisions, constructing the new Sugarman's Corner pocket park at S. 6th & Main Streets.

Bottom: Bruce Sorlein uses a roto hammer to drill a hole in an existing footing to accommodate for new electrical lines as well as irrigation lines for the new planters at Sugarman's Park.

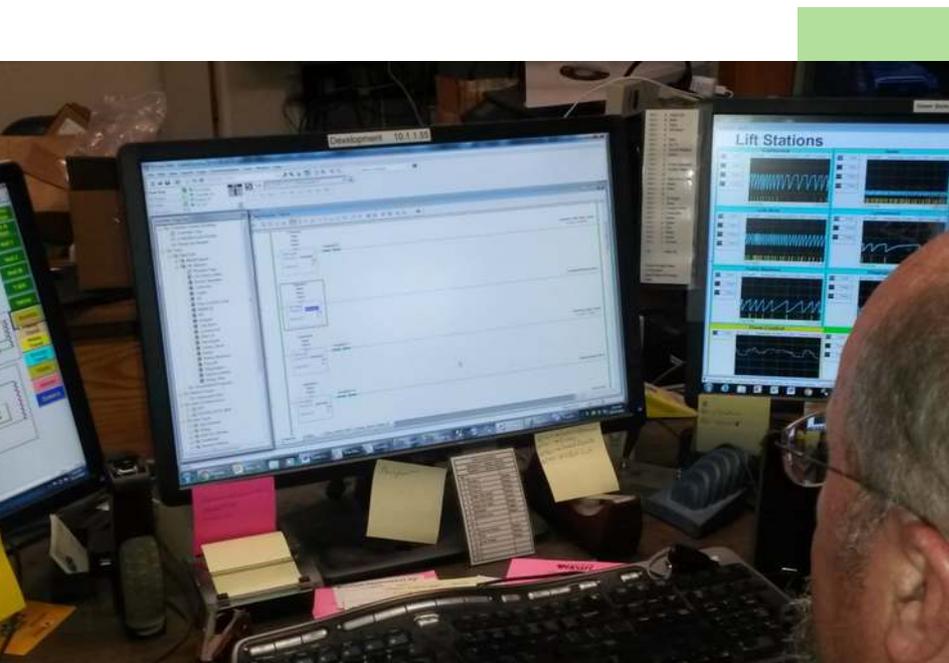
The Street Lighting Program, which is part of the Maintenance Division, is currently maintaining

approximately 2,636 street lights throughout the City. The original master plan for the Street Lighting program consisted of 2,300 lights. The City has exceeded that number as some areas required more lights than the master plan had addressed, as well as newly annexed areas into the City limits.

“Please do not hesitate to call for any Street Lighting related issues. We try to respond to all requests within one working day.”

The City is in the middle of an LED retrofit project that spans City wide. The retrofit began in 2012 and addressed 315, 200 Watt high pressure sodium fixtures. In 2013-2014, the Street Lighting Division continued in its efforts and replaced 750, 100 Watt fixtures and followed up in 2014-2015 with the replacement of an additional 800 fixtures. The Street Lighting Division saw completion of the cobra head LED retrofit this year by installing the remaining 380 fixtures to our lighting system.

For fiscal year 2016-17, the Street Lighting Division plans to retrofit the downtown core and decorative subdivision fixtures, which will make the transition from high pressure sodium fixtures to LED technologies complete. Savings to date for this ongoing project totals close to \$100,000 per year in energy and maintenance costs.



The Maintenance Division is responsible for programming the City SCADA system. SCADA is an acronym for Supervisory Control and Data Acquisition. This program helps the City Wastewater, Water and Maintenance Divisions remotely run and monitor critical water boosters, wells and tanks as well as the Wastewater lift stations and Wastewater treatment plant.



Top: Chuck Paulson (l) and Bruce Sorlien (r) install new deck drains at the Ella Redkey Pool. Drainage had been a problem, and because the installed product was obsolete, the City was unable to purchase drain parts for repair due to the dimensions. This should no longer be an issue and the drains should perform well for years to come.



Left: Phillip Hurtado and Bruce Sorlien replace a traffic signal control cabinet that was damaged in a motor vehicle accident. Maintenance crews respond to an average of 30 signal complaints per year.

MAINTENANCE

The City of Klamath Falls Maintenance Division provides custodial and maintenance services throughout the City. In addition to their electrical, plumbing, HVAC and carpentry expertise, they perform a wide variety of repairs and preventative maintenance for all City Divisions and Departments. Several City wide projects are completed, assisted or arranged by the Maintenance Division on a yearly basis.

To date, in 2016 the Maintenance Division has completed 2,636 work orders for various City Departments. These work orders span City wide and range from simple tasks such as painting and drywall repair, to pump and generator service, facility maintenance, street lighting repair, SCADA programming and traffic signals. The Maintenance Division also plays a major role in ensuring that our Water and Waste Water divisions equipment stays in top running order with our preventative maintenance program and has helped in building redundancy into these systems in case of major failure.



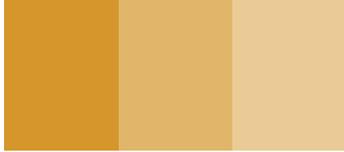
Judi Ferguson cleans one of the stairwells at our Finance facility. This facility is one of 5 buildings that Judi provides custodial service to. She is also responsible for ordering paper products as they are needed and alerting other maintenance personnel of problems that she encounters while on the job.



Top: Doug Shipman performs maintenance on a strainer at the Ella Redkey Pool during shutdown week.



Left: Kirk Sipes prepares some drinking fountains for the winter months by winterizing them to prevent freezing and to minimize spring repairs because of broken pipes. The Maintenance Division also prepares other facilities for seasonal shutdowns as well.



Water & Geothermal Division

The top priority for the Water Division is to provide our nearly 40,000 customers a reliable supply of drinking water of the safest and highest quality possible. 100% of the Klamath Falls water supply comes from groundwater source. These groundwater sources tend to be free of impurities and contaminants that are

“Learn how you can help in water conservation efforts visit [The Water Project](#).”

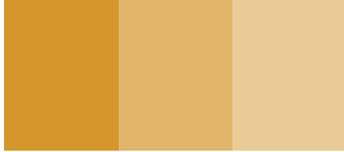
typically present in surface water systems.

In 2016 we pumped over 2.5 billion gallons of potable water to meet our customer's domestic, commercial, industrial and fire suppression needs by means of the 11 City owned potable water wells. 2016 daily water demands ranged from 3.8 million gallons in February to 13.9 millions gallons in July.

We have added 3 new staff members this year, all Water Distribution Operators-in-Training, to the Water Division. Kody Fritz and Edgar Cisneros filled positions opened when Robbie West and Terry Sellars were promoted into supervisor positions with other City departments. Brian Butler is moving from Utility Billing to fill a position that has remained vacant for several years.

Water Quality

Water Division Staff monitors the drinking water daily and in an effort to maintain the highest quality drinking water we collected over 1500 water samples in 2016. These samples were analyzed for microbiological, organic and inorganic contamination with results ranging from no detectable contaminant(s) to detected levels far below those established by the EPA for safe drinking water.



In 2016, we saw multiple reports within the press nationally and regionally of lead contamination as well as other potentially harmful contaminants in the drinking water supply. A number of these media reports focused on lead in the drinking water at schools. During the summer of 2016, our staff assisted the City and County schools collect numerous water samples at multiple locations within the schools that receive water from the City water system. As these samples were tested for lead contamination, none of samples exceeded the level established by the EPA for safe drinking water in our children's schools.

Of these leaks, crews have excavated and repaired 25 mainline leaks, 13 service line leaks, with 5 waterline leaks still to be exposed and repaired.

Water Meters

Water Division staff replaced nearly 1300 outdated and inaccurate water meters in 2016 and installed 3428 water meter radio read transceivers. In 2010, the Water Division established the goal of a complete Advanced Metering Infrastructure system and during that year, division staff began installing the first radio read meter

The City's water supply comes from deep groundwater wells ranging in depth from 300 feet to over 1000 feet.

Be assured, we strive to take the necessary steps to protect our customers, being consistently vigilant in monitoring our drinking water quality. And while water quality regulations and monitoring guidelines continue to become more stringent, our City drinking water consistently exceeds all state and federal water quality standards.

It is a top priority for us to promote conservation of our precious water resource. One way we accomplish this is the replacement of outdated and inaccurate water meters. Another method is our in-house leak detection/repair program. This year utilizing specialized leak detection equipment, Division staff has identified 43 non-surfacing waterline leaks.

transceivers on water meters. By the end of 2016, every water meter within the water system is a radio read meter completing phase 1 of the AMI system. The next and final step will be the installation of communication base stations which should be completed by the end of 2017. This AMI system will allow City staff to remotely monitor and read every water meter from a single centrally located office.

Capital Improvement

In 2016, utilizing contracted services, we replaced approximately 1000 feet of outdated and undersized water mainline on Melrose St. The mainline had numerous leaks caused by age (over 100 years old) and that type of pipeline was no longer cost effective to operate and maintain. This year we



began phase 1 of a 3 phase project called the Pelican Booster Project. Phase 1 provided for the new installation of 3600 feet of 12” and 16” water mainline. The purpose of this project is to provide additional water supply to the areas surrounding Sky Lakes Medical Center and college industrial park. Also, 2,700 feet of 12” water mainline has been installed replacing undersized pipeline on Altamont Dr. south of Laverne Ave. Completion of this pipeline project is the final phase of a Klamath County project to reconstruct and upgrade Altamont Dr. By replacing old and undersized water mainlines and installing new water mainlines, the Division is able to provide much improved fire protection service and/or fire hydrants where there were previously none and eliminate

unaccounted for water losses due to non-surfacing leaks.

Geothermal

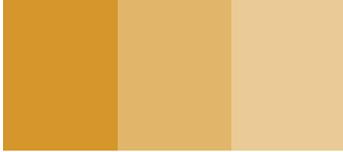
The Division continues to be responsible for the operation and maintenance of the City’s geothermal heating system providing space heating service, and sidewalk and bridge snow melt service to multiple facilities located throughout the downtown.

Hard at Work



Water & Geothermal Staff Getting it Done





Water & Geothermal Division





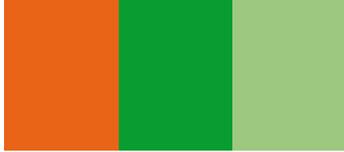
Streets & Equipment Division

The City of Klamath Falls Streets Division's top priority is to maintain the City's rights-of-way in a safe condition for the public, maintaining 146 centerline miles and 302 travel lane miles. Funding for maintenance of Streets comes from various sources:

“The City of Klamath Falls Street Division's top priority is to maintain the City's rights-of-way in a safe condition for the public.”

State Gas Tax, Franchise Fees and Federal Highway programs. In an effort to keep the City's infrastructure in a safe and usable condition, the following maintenance operations are scheduled during the summer months: In-house overlays, crack sealing, pothole repair, utility cut repair, concrete repair, street striping, project inspection, and street sweeping, which is generally accomplished year round as weather permits.

In the winter months, snow and ice removal is the number one priority for the Streets Division. Typically snow removal and snow hauling takes a large portion of available man-hours. When weather permits, street crews continue to make repairs on streets, utilizing cold and recycled asphalt mix for repairs, dealing with drainage, cleaning and repairing of open trench ditches and working on the day-to-day repairs that are necessary to provide roadway safety.



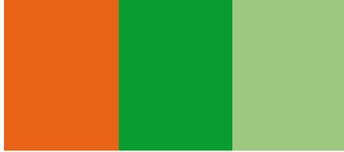
The Street Division, weather permitting and available manpower, operates two regenerative air sweepers, cleaning 4,572 gutter miles and removing approximately 2,060 yards of debris consisting of winter sand and cinders, leafy debris and normal road debris. Approximately 51 tons of trash and debris were removed from the sweepings and hauled to the land fill with a remaining 2,600 tons being used or recycled as clean fill.

Last winter we experienced an average snow fall. The Streets Division crews plowed 8,812 lane miles, placed 885 yards of cinder material for de-icing, and hauled away 10,236 yards of snow. The Sign Shop repaired or replaced over 211 signs, posts and inserts; 108 replacement or repairs were associated with vehicle incidents and or vandalism. Street striping consists of crosswalks, school zones, parking “Ts” yellow curbs and main line striping.

Streets Division Statistics 2016

Our totals were 1,700 gallons of white, 1,600 gallons of yellow including 9,500 lbs. of glass beads and 388 square feet of thermal plastic lines and arrows. Streets Division placed 1,081 tons of asphalt, 346 tons of rock and applied 37,400 pounds of crack sealer to

various roadways throughout the City. Klamath County Public Works has assisted the Streets Division in chip seal placement in various City roadways as well, which include Lynnewood Subdivision, Lakeshore Drive and Nevada Street.



The Fleet Services shop maintains and repairs all of the City's vehicles and heavy equipment. The average age of the fleet is 10.5 years and is maintained and repaired by two ASE certified mechanics. The shop maintains up-to-date and accurate records on 290 vehicles and equipment to ensure that service and repairs are done in a timely manner. Regular service and prompt repairs extend the useful life of the assets and reduces operational costs.

Fleet Maintenance Statistics 2016

Fleet Maintenance serviced 645 vehicles and equipment and made over 880 repairs. Fleet Services dispensed 880 gallons (14.5 barrels) of motor oil, gear oil, ATF and hydraulic fluid, 31.5 gallons of coolant and 3.5 cases of grease. 1000 gallons of waste oil were collected from various Divisions and Departments and were donated to the Oregon HEAT program.



Streets & Fleet Division



▲ **Street Striping crew**

Painting crosswalks

▼ **Street Striping crew**

Painting parking Ts





▲ **Street Crews**

Widening the shoulder on Lakeshore Drive prior to Chipseal

▼ **Street Crews**

Widening the shoulder on Lakeshore Drive prior to Chipseal



◀ **Street Crews**

Prepping new sidewalk at Main & 6th Street



Street Crews

Paving areas around Sugarman's Park





▲ **Street Crews**

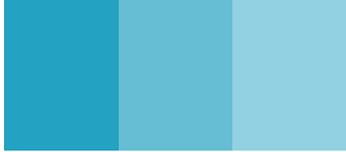
Trail work at Moore Park Marina 1 and 2

▼ **Street Crews**

Snow Removal on South 7th Street



◀ **Fleet Maintenance**

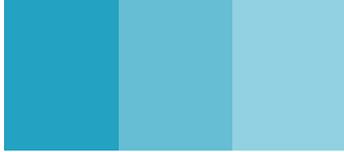


Development Services

Residential/Commercial Development Applications. Total applications for residential development are on track with 2015 and commercial development within City Limits increased by one application as compared to last year.

Highlights at a Glance

- Downtown Beautification
 - Downtown Cleanup – Student Giveback Day
 - Sugarman’s Corner
 - Summertime Colorful Light Pole Banners
 - Veterans Memorial New Brick Pavement
- Capital Infrastructure Improvements
 - *Melrose Street and Haskins Alley Waterline*. This project replaced roughly 985’ of 2” cast iron waterline with new 8” PVC along a portion of Melrose Street and Haskins Alley.
 - *Main Street Underpass Handrail Replacement Project*. This project replaced severely deteriorated handrail along the public sidewalk crossing beneath the Main Street railroad underpass. Construction included roughly 500’ of new powder coated railing, miscellaneous cosmetic concrete rehabilitation, pavement restriping, and reinstallation of underpass lighting. The project was complete for pedestrian use just prior to school reconvening on September 6th.
 - *Pelican City Booster Waterline*. This a three phase project to provide additional water supply to the areas surrounding Oregon Tech and the hospital. Construction of Phase 1 was completed in October. Phase 2 is currently in design with construction anticipated next April through July, 2017. Phase 3 of the project will include a booster pump station and final connection piping to the hospital area. Overall project completion is expected during the summer of 2018.



- *Altamont Drive Utilities Replacement Project, Phase V.* This project is a design and construction collaboration between the City of Klamath Falls and South Suburban Sanitary District to lower their respective utilities in anticipation of Klamath County's reconstruction of Altamont Drive. Construction of this fifth and final phase is anticipated to be complete near the end of November.

- *CMAQ Alley Paving Project.* This is a continuation of a 2011 multi-location unpaved street improvement project. The project utilized Federal CMAQ (Congestion Mitigation and Air

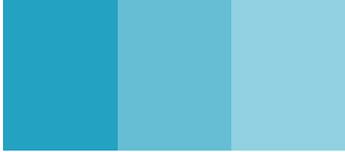
- *OIT Industrial Drive & Dan O'Brien Way Culvert Replacement.* Early spring of 2016 a sinkhole developed within an OIT parking lot along Industrial Park Drive. Subsequent investigation revealed severe deterioration within three existing large diameter culverts crossing Industrial Park Drive and Dan O'Brien Way. In an effort to avoid further damage to the roadways, emergency design documents were prepared to rehabilitate the culverts in place. The project was awarded for construction in October and work is anticipated to be complete in November.

Development Services - Year in Review

Quality) program funds to provide asphalt pavement along unpaved alleys and streets in the City. Improvements included paving the parking and turn-around area near the southerly end of the Link River Trail, paving six (6) alleys, and paving the parking lot and materials storage area of the City's water department compound.

- *Johnson & Crescent Sewer Main Replacement.* This project replaced existing brick manholes and approximately 820' of failing clay sewer pipe within a portion of Johnson Street and an alleyway off Crescent Avenue. New residential service cleanouts were also provided along with repaving of 2 street intersections that were previously scheduled for repairs through the Streets Division. Construction was completed in July.

• **Franchise Permitting** – Distribution lines for regional franchise utility companies who provide power, gas, data, and communications to our community are often times located within the City's public right-of-way. The City issues Franchise Permits anytime work is conducted on these utilities that may impact City assets. This process ensures the work being performed is completed to an acceptable standard of care. In 2016 the City has issued 98 Franchise Permits through the month of October.



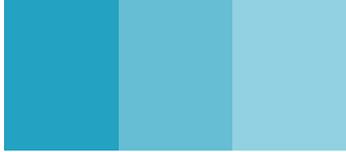
Sugarman's Corner



Located at 6th and Main

City's newest pocket park located in our beautiful downtown





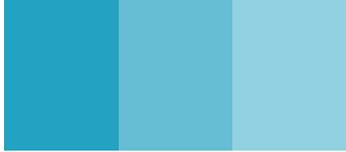
Downtown CleanUp



Students and Community Members

Working together to improve the appearance of our downtown.

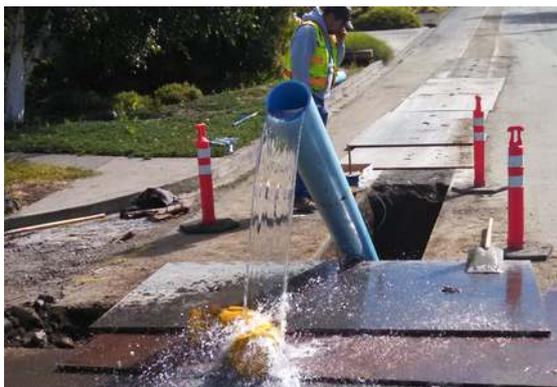




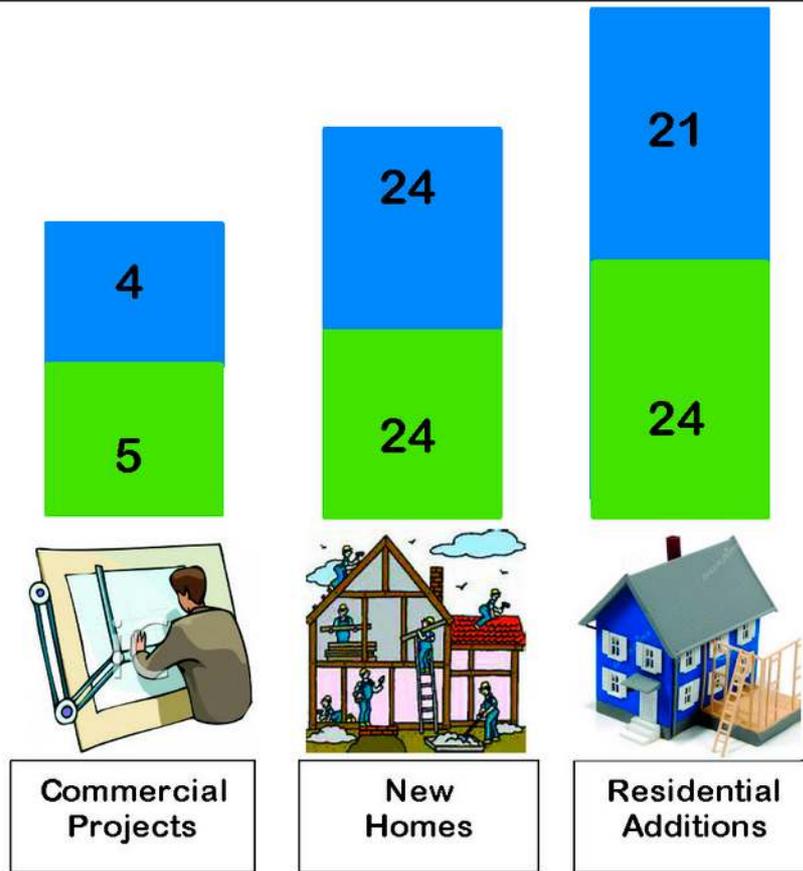
Projects



Main Street Handrail & Melrose Alley Waterline

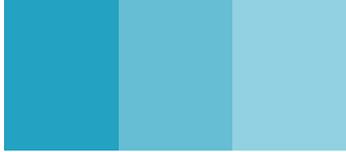


Development within the City Application Comparison 2015 to 2016



 **2016 Application Total**
(Thru October 20, 2016)

 **2015 Application Total**
(January thru December, 2015)



Human Resources

Human Resources Division is committed to providing the highest quality of personal service to City staff and our community. The mission of the Human Resources Division is to support the goals and challenges of the City by providing services which promote a positive work environment that is characterized by fair treatment

“In total the HR Division hired 36 new employees & facilitated 12 promotions.”

of staff, open communication, personal accountability, trust and mutual respect.

In total, the Human Resources Division hired 36 new employees and facilitated 12 promotions. An interesting data point is that 353 applications were reviewed to find the right person to fill those 36 positions. Although the labor market is getting tighter, we have a good applicant pool for most of our jobs. In 2016 the hard to fill jobs were in Water and Wastewater; these two very important fields are seeing retirements above the average across the nation. Capturing the interest of millennials in this field has been difficult. Saving our environment and continuing the tradition of clean water for all citizens is a worthy cause. We need to position these jobs in such a way that younger employees catch the vision.

Retirements continue to accelerate with a total of 6 long term employees retiring in 2016 versus only three in 2015. Two specific long term employees left big shoes to fill. Elisa Olson retired after 30 years and Nickole Barrington was promoted to City Recorder. We are excited to have her historical knowledge of the City as she moves into this important position. Mindy Radford retired after 34 years. Jeremy Prinsen joined us to take the reins to our Technology Services Division. He has lots of history to absorb as he moves us rapidly into the future, leveraging the investment we recently made in the Tyler ERP system.

The Federal and State laws continue to impact our HR Division and the entire City. This year we adopted the new State Sick Leave Law. This required

“The employee BBQ at beautiful Moore Park was a fun time.”

changes to our policies to allow accumulation of sick leave for our temporary seasonal employees at the Ella Redkey Pool. We also had to analyze the new Minimum Wage requirements for all employees across the City. The impact will again be primarily to our Pool employees. This will drive additional costs to the operations of the Pool in 2017 and beyond.

Other Key Projects for the HR Division this year:

- A three year contract was successfully negotiated with AFSCME Local 2451.

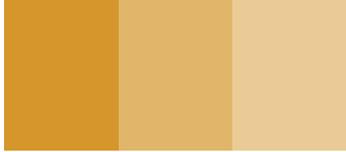
- The 457 and 401 Programs offered to employees were consolidated into one provider, ICMA. This will lead to more investment options, reduced fees, and improved administration.

- Benefits education was a theme for this year with successful presentations brought to the City from PERS and at the Benefits Fair. The Benefits Fair included all our vendors as well as other health related agencies such as Blue Zones.

- An employee picnic at Moore Park was a good time for employees to meet and encourage each other as we enjoyed the beautiful park within the City. The Directors cooked the burgers and hot dogs, so the food was plentiful as well.



Police Chief Dave Henslee (r) and City Manager Nathan Cherpeski (l) prepared and served food along with other Department Directors at the employee BBQ.



Wastewater

2016 Annual Report



City Wastewater compost operator loading one of our many customers with compost, which is a class "A" biosolids product given away to the public for free.

The Wastewater Division provides services to nearly 28,000 City of Klamath Falls residents and Klamath Basin

area customers. The Division provides sewage collection/treatment, and stormwater collection services for the residents of Klamath Falls. The Wastewater Division also provides sewage treatment services for a major residential development and a major destination resort/residential development outside City limits.



Left: Wastewater staff changing out the aeration basin diffusers socks, which is a major part of creating the proper culture for the secondary activated sludge process.

Top: Wastewater staff performs sample collection and testing throughout the plant process.





Parks



Moore Park Fun

From a Sky Lakes Company Picnic to the Linkville Lopers Moore Mountain Trail Run





“These programs are FREE of charge providing greater access to our community's youth.”

This summer the Great Outdoors Alliance held a number of educational programs throughout Klamath Falls City Parks to encourage youth to get outside and explore.

These programs are FREE of charge.

The Great Outdoors Alliance (GOA) is a partnership of the City of Klamath Falls, US Forest Service, Klamath Watershed Partnership, US Fish and Wildlife Service, US Fish and Wildlife Refuge, OSU, Klamath Basin Audobon Society, OSU Extension, and Klamath Lake Land Trust.



Great Outdoors Alliance program participants kayaking on Klamath Lake



Great Outdoors Alliance

Children had the opportunity to learn about the outdoor environment and become future stewards of our natural resources.

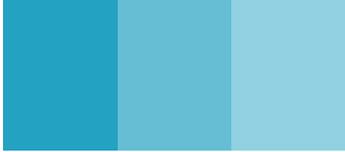




Great Outdoors Alliance

Many fun activities such as kayaking and smores were held at Lakeshore Landing at Moore Park.





Ella Redkey Municipal Pool

2016 Annual Report



The Ella Redkey Pool is a geothermally heated pool; open year-round to our community.

The City continues to partner with the Sky Lakes Foundation to offer the *Everybody Swims* program

at the Ella Redkey Pool. Overall, 785 third grade students participated in the program. These schools include Pelican, Roosevelt, Conger, Peterson, Shasta, Ferguson, Stearns, Keno, Chiloquin, Malin, Merrill, Bonanza, Seventh Day Adventist, Triad, and Hosanna schools.

***“Swimming is so hard, but I love it!
Swimming is my favorite part of Tri-Club
practice.” - Shasta Tri-Club participant***

TRI-CLUB

The Ella Redkey Pool partnered with Henley, Shasta and Ferguson Elementary schools in furthering the development of Tri-Club. Tri-Club is an afterschool program that exposes children to the various sports in a triathlon. For five weeks, students rode their bike to the pool, swam for 20 minutes, ran for 10 minutes and then biked back to school. At the end of the five weeks, the Ella Redkey Pool hosted an end of year triathlon. The elementary students swam 50 to 150 yards in the pool, biked 3 to 5 miles around Mills-Kiwanis Park, and finished with a 1 mile run on the bike path.

SPECIAL OLYMPICS

The Ella Redkey Pool sponsored the Klamath Falls Special Olympics. For the competitions, the Special Olympic participants were joined by pool staff and program volunteers in both swimming and coaching. The pool rental was generously donated by the Friends of Ella Redkey, which included lifeguards, equipment, and volunteer coaching.



The Ella Redkey Pool offers everything from swim lessons, summer camps, private lessons, private parties, exercise, to lifeguard classes, and more!

“Ella Redkey Pool is the place to go for your special event.”

WATER POLO CAMP

The second-annual after school water polo camp was a major success. Students involved in the 21st Century after school program from Ponderosa Middle School and Mills Elementary participated in this week-long program. Participants were taught different water polo skills and how to play a formal match. At the end of the week, all students participating in the 21st Century after school program and their families were invited to an exclusive private pool party celebration at Ella Redkey Pool.

DOGGIE SWIM DAY

The day before the pool was drained

for its annual maintenance closure was the first ever Doggie Swim Day. The event was devoted strictly to dogs and their owners. Overall, 62 dogs and their owners attended the 2 hour event. Immediately following the event, the pool was drained and prepared for its annual maintenance closure. Facilities Maintenance, Parks Maintenance, and pool staff worked diligently to complete essential projects around the facility. Work completed during the closure consisted of installation of new concrete and deck drains, new coat of epoxy wall and floor paint, cosmetic facility work, pump room plumbing, and refilling/heating of fresh treated water.



At the Ella Redkey Pool we offer lap swim times, open swim, shallow and deep water aerobics, family swim, masters swim, and much more.

