

Klamath Basin Restoration Act
Klamath Reclamation Project Related Issues

Background/Existing ABC

Irrigation delivery contracts within the Klamath Reclamation Project have a built in priority order to be used when supplies are determined to be inadequate to meet all needs. Van Brimmer Ditch Company, Klamath Irrigation District and Tulalake Irrigation District are in a position to be served first and are often characterized as “A” Districts. Warren Act contractors are served after “A” districts are served and are characterized as “B” districts/contracts. If there is water supply surplus to “A” and “B” contract deliveries, then surplus water or “C” contracts can be made and served.

The Reclamation A-B-C Drought Plan is the “default” scenario for delivering water to the Project in the event of inadequate water for all demand.

KBRA Diversion Agreement (KBRA Section 15, Appendix E-1)

The Klamath Basin Restoration Agreement (KBRA) changes how Klamath River and Upper Klamath Lake diversion will be made. Currently, the Project diverts what is available after serving Endangered Species Act (ESA) Biological Opinion (BO) requirements for suckers and salmon. Implementation of the KBRA would give the Project a predictable, reliable and manageable diversion quantity. The amount of diversion for March to October is a function of the March 1 forecast of hydrological year type, 330,000 acre-feet in drier years increasing to 385,000 acre-feet in wetter years. Comparing to the historical record, all irrigation demand would be fully served in 50% of the years. In the driest years the Project could be up to 100,000 acre-feet short of serving all contractors. The limitation would take effect only after: there has been sufficient time and funding to implement the Water Management Plan discussed below: permanent settlements with signatory tribes and United States as trustee have taken effect; and ESA assurances are in effect.

Project Water Management Plan (KBRA 15.2)

The KBRA funds a voluntary on-project water management plan to be created by the Contractors themselves, ideally this will be done through contractor participation in the Klamath Water and Power Agency (KWAPA). The purpose of the plan is to either supply irrigation water or provide fair compensation to KBRA participating contractors in the Project who voluntarily agree to participate. The Plan will be designed to make up the anticipated difference between “consumption” and diversion by compensated ground water pumping, irrigation forbearance, or other means to be identified.

<u>ISSUE</u>	<u>CURRENT STATUS</u>	<u>KBRA</u>
<u>Project Diversion from Upper Klamath Lake or Klamath River</u>	Subject to court order coho BO flows on River. Upper Klamath Lake sucker BO elevations ABC Drought Plan in affect. Water left over after service to BO’s delivered to Project.	Diversions related to hydrological year type. 330,000 AF dry to 385,000 average to wet. 100% (full) deliveries in 50% (half) of all years. Voluntary compensated demand reduction/supply enhancement in other 50% of years; Drought Plan potential for reduction in years with 5% occurrence historically.
	Coho BO court-ordered river flows – no flexibility.	New consultations and BO’s taking into consideration - KBRA Actions – habitat, water

<u>Coho and Sucker Biological Opinions</u> <u>(continued) Coho and Sucker Biological Opinions</u>	Sucker BO still in affect	quality, entrainment, fish passage improvements etc. HCP and GCP development for ESA protection (incidental take coverage). Won't occur overnight.
<u>District and individual Contracts</u>	"A" Contracts served first – "B" Contracts served after "A" – "C" Contracts served after "A" and "B"	Does not change or alter perpetual contracts that are in place including no changes in repayment responsibilities. If properly implemented A-B-C plan becomes unnecessary and is replaced with on-project plan In average to wet years (50% of years) the Diversion rate will serve all ABC contractors. KWAPA/KBRA participating irrigators, not federal government, will create a Project Operation Plan (KBRA 15.2). Plan would fund programs to reduce diversions from Klamath River system in 50% of years at varying degrees. Examples of likely tools would be groundwater substitution, paid forbearance agreements and conservation. All participants would either irrigate or choose to receive compensation and not irrigate. ABC plan becomes irrelevant in all years of shortage with possible exception of Extreme Drought.
<u>A-B-C Drought Plan</u>	Current "ABC" drought plan likely to continue in years of Project shortage	
<u>Klamath Water and Power Agency (KWAPA)</u>	Membership as per KWAPA agreement. Most Project contractors eligible to join. Others can be part of contract agreement to participate.	Same
<u>Tribal Trust/Water Rights</u>	Subject to Adjudication outcomes and ongoing obligations of the U.S. as Trustee for the Tribes (Not Just Klamath Tribes).	KBRA Section 15.3.5 -15.3.9 spell out assurances (waivers) provided from the Tribes and the United States not to interfere with Project Diversion amounts.
<u>Ground Water Pumping</u>	Subject to State Law – Funding for Reclamation Administered "water bank" declining and unlikely to provide long-term benefit.	Participating irrigators and contractors may choose to pump groundwater, consistent with terms in the KBRA (section 15.2.4). Wells not receiving KBRA funding are not limited to restrictions in KBRA. In all cases state water law is applicable.
<u>Cost of Power</u>	Transition to PacifiCorp Tariff rates for the 15 average megawatts used on and off-Project (\approx \$0.08 per kWh). Continued participation in state PUC proceedings. KWAPA work and internally fund alternatives.	Provides \$40 + million and 10 avg megawatts of BPA power for on and off project irrigator benefit. Creates a Management Entity comprised of on and off Project irrigators to create plan and do better than tariff. Target cost at or below similar projects in the area.
<u>Regulatory Assurances</u>	Continued expenditure of resources for legal, scientific and political action – standard Section 7 consultation process. HCP development not prohibited, but would require funding and likely be inadequate without broad support and other actions.	Provides funding to draft and implement Habitat Conservation Plans (incidental take coverage) with a term "substantially beyond" 50 years (Section 22.2.1). Significant investment to improve baseline conditions.