KLAMATH WATER AND POWER AGENCY

Klamath Water and Power Agency KWAPA

# OPPortunities

*Bringing You the Latest News on the OPP*

Volume 1, Issue 1 October 2011

**Welcome to OPPortunities!**

You are reading the first edition of a series of newsletters that will be issued periodically over the course of the next two years.

The focus will be exclusively on providing updates on how the On-Project Plan (OPP) is coming together.

**Inside this issue:**



## Local Water Users Plan to Address Variable Water Supply

### A Primer on the OPP

The purpose of the On-Project Plan (OPP) is to align water supply and demand in areas of the Klamath Reclamation Project that rely on the Klamath system (Lake and River) for water supply. This would be accomplished by Project districts, for the first time ever, having a known block of water available each year. The plan will also take into account water delivery obligations for National Wildlife Refuges.

"The OPP is not about water rights adjudication, it is not a re-write of the Endangered Species Act, and it is not a forum to change contracts with the Bureau of Reclamation," said KWAPA board member Dave Cacka, who owns land within Klamath Irrigation District. "It's simply a locally-driven effort to develop fair, equitable, and transparent strategies for aligning water supply and demand within the Klamath Project."

The overriding principals/goals of the OPP are that the plan be developed by irrigators and that no irrigator or district in the Project suffers involuntary water shortages, as has happened in the past. The OPP will likely employ a variety of tools in order to address variability in available water supply so that irrigators in the Project can "live with" the available water supply including any limits on that supply in the future.

### Need for the OPP

The OPP is needed to ensure a reliable water supply for the sustainability of agriculture in the Klamath Basin. The Klamath Basin Restoration Agreement (KBRA) describes certain agreed upon "Diversion Limits" for water diverted from Upper Klamath Lake and the Klamath River for the Klamath Project and refuges. Beyond the scope of the KBRA, the challenges of meeting water needs during dry years for agriculture, endangered and special status species, and wildlife refuges in the Klamath Basin have become monumental and are unlikely to change.

### Who's Doing the Work?

The OPP is being prepared by the Klamath Water and Power Agency (KWAPA), which was formed in 2008 as a product of discussions among local irrigators, districts, and others in the community. KWAPA consists of public agency members in Oregon and California, all of whom are contractors of the Bureau of Reclamation (Reclamation) and provide water delivery within areas of the Klamath Reclamation Project.

KWAPA is an intergovernmental agency under Oregon law and a joint exercise of powers agency under California law. KWAPA provides opportunities for irrigators through districts to work together to explore and develop locally based solutions to energy issues, water management issues, and to coordinate in other areas to the benefit of the entire community.

After the OPP has been developed and approved, KWAPA will "implement" the OPP, over a period of about ten years, and based on adequacy of funding. When OPP implementation has occurred, KWAPA will administer the OPP annually, employing the tools that have been developed in the implementation phase.

***The Klamath Reclamation Project spans land in both south-central Oregon and north-central California, and provides water to approximately 210,000 acres of agricultural lands. The primary sources of water supply for the project are Upper Klamath Lake and the Klamath River, and Clear Lake Reservoir, Gerber Reservoir, and Lost River. The total drainage area, including the Lost River and the Klamath River watershed above Keno, Oregon, is approximately 5,700 square miles.***


Nearly 20,000 marchers protest the 2001 Klamath Project curtailment, May 2001, Klamath Falls.

## Why the Status Quo Does Not Work for Project Irrigators

Klamath Project annual operations are currently characterized by uncertainty. As things stand, irrigators may not know what their water supply will be until April (or even later, as was the case in 2010), and uncertainty can persist through the season. This makes planning for the growing season very difficult. Further, if there is a water shortage, it is not allocated according to any particular plan or logic (other than contractual priorities that the Bureau of Reclamation has identified).

Finally, for over a decade, local water users have spent significant time and financial resources monitoring and challenging annual Klamath Project operations plans influenced by agency biological opinions.

"While "water banks" have partially addressed the imbalance of supply and demand in the Basin, there is no simple answer for achieving balance and mitigating the disastrous impacts that water shortages impart on our local economy and infrastructure," said KWAPA Executive Director Hollie Cannon. "Instead of relying on Federal agencies to develop a plan to deal with variable water supply, it makes sense that the irrigation community develops its own plan."

## How the OPP Changes the Status Quo

***"The OPP provides an opportunity for Klamath Project Irrigators to move from a reactive mode to a strategic mode."***

Under the Klamath Basin Restoration Agreement (KBRA) and OPP, by early March, every farmer should know what the Project's water allotment from the Klamath system will be, which is a great improvement in certainty for water users. In almost every year, a determination of how much water will be made available will be made in early March by applying criteria in the KBRA.

"Studies estimate that surface water alone should meet the Project irrigation demand in at least 50 percent of the years," said Marc VanCamp, a consultant with MBK Engineers in Sacramento. "For those drier years, the OPP will align supply and demand, through physical facilities, voluntary arrangements, or both."

The OPP provides an opportunity for Klamath Project irrigators to move from a "reactive" mode, focused on addressing regulatory concerns, to a strategic mode that provides a defensible road map for accommodating variations in Klamath River water supply.

"This will support and promote viable Project agriculture in the Basin, which in turn will boost the local economy and the environment," said Ed Bair, a local farmer and chairman of the KWAPA board of directors.

The OPP is intended to provide predictable and reliable water supplies, albeit with manageable limitations on the total amount of Klamath River water available, particularly in the drier years.

In the past decade, there have been water "banks" or similar programs that involve use of tools in the Klamath Project similar to those that may occur under the OPP. However, those programs have been conducted on an annual basis regardless of actual Basin hydrology and with recurrent funding needs.

"The Plan envisioned under the KBRA is based on "up-front" funding and implementation to achieve alternative water supplies, improve efficiency, or temporarily reduce demand for Klamath River water" said VanCamp.

Additionally, the KBRA envisions an interim program of water leasing while Plan implementation is in progress, and coordination among these programs.

***Background and Development of the Klamath Basin Restoration Agreement***

*Representatives of diverse communities in the Klamath Basin, working with federal, state, and county governments, and with other interested organizations, developed the Klamath Basin Restoration Agreement (KBRA) to rebuild fisheries, sustain agricultural communities, and resolve longstanding disputes related to the allocation of water resources. KWAPA and its member entities are parties to the KBRA. Relevant key provisions of the KBRA related to water supply include the following:*

- *An ultimate limitation on diversions (DIVERSION is a term in the KBRA defined as the total amount of water from the Klamath system diverted from specific Upper Klamath Lake and Klamath River diversion facilities).*
- *Reliability and certainty regarding water that will be available for a sustainable agricultural community and national wildlife refuges.*

*For more information on the KBRA, go to http://kwua.org/kbra.*

## Recent Developments

The OPP is being developed on a "build-as-you-go" approach to accommodate input from its irrigation constituents, partners, and OPP stakeholders. In support of both of these key foundational tenants, the OPP will be developed through a series of Technical Memorandums (TMs) that will build upon one another and culminate in a summary document. The OPP Work Group recently completed TM1, which was unanimously approved by the OPPAC in September.

TM1 discusses the following:

- Mission Statement/Goals and Objectives
- Key Issues
- On-Project Plan Development Approach
- Communication Plan
- Existing Data Sources
- Proposed National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) Approach

You can see TM1 in its entirely by going to www.kwapa.org.

### The OPP Work Group

*Hollie Cannon (KWAPA)*
*Greg Addington (KWUA)*
*Julie Matthews (KWAPA)*
*Ed Bair (KWAPA and Klamath Basin Improvement District)*
*John Crawford (Tulelake Irrigation District)*
*Bill Ganong (KWAPA Legal Counsel)*
*Paul Simmons (KWUA Legal Counsel)*
*Marc Van Camp (Consultant Team—MBK Engineers)*
*Mark Deutschman (Consultant Team—Houston Engineering, Inc.)*
*Dan Keppen (Consultant Team—Dan Keppen & Associates, Inc.)*
*Mark Oliver (Consultant Team—CH2M Hill)*

## OPP Water Management Options

It is KWAPA's goal "to align water supply and demand," with the least impact on existing and future land use and associated agricultural production. KWAPA will consider a variety of measure to enhance water supplies or provide water demand reduction. Key OPP actions will likely include dry-year production of groundwater and payment for temporary or intermittent land idling. Voluntary conservation measures and increased storage may also play a role.

For example, a landowner may voluntarily enter into a long-term agreement to refrain from use of water from Upper Klamath Lake and the Klamath River in a given year, pursuant to a contract entered as part of OPP implementation.

This mission statement recognizes the primary desired outcome that the OPP serves the need to address limitations on the amount of Klamath water available with minimal impact on the agricultural community and other resources within the OPPA. The proposed "open, transparent, and collaborative" approach is intended to be met through an extensive meeting and review process.

## Key Issues

As a result of initial meetings with KWAPA and Klamath Water Users Association (KWUA) staff, several key issues were identified. Reaching out and working with the local irrigation community was at the top of the list.

"Communication will be critical to assure successful development and, ultimately, implementation of the OPP," said Hollie Cannon, KWAPA executive director.

The water management options that will be investigated will require some scrutiny and input from Klamath Reclamation Project irrigators and will be crucial to that effort. A variety of water demand and supply options will need to be identified and the impacts and benefits of each documented.

"Groundwater use occurring under the OPP will need to be carefully planned and managed, and potential benefits and impacts identified," said Mark Oliver, an OPP consultant employed by CH2M Hill. "Any crop idling or shifting program, whether short- or long-term, will need to identify and consider any potential third-party economic impacts."

The process used to develop alternatives will need to be logical and well documented, and support any required environmental documentation effort.

***"Communication will be critical to assure successful development and ultimately, implementation of the OPP."***
**Hollie Cannon**
**KWAPA**

***OPP Mission Statement***

***Develop, through an open, transparent, and collaborative interdistrict approach, an integrated plan that provides a strategy with various options for aligning water supply and demand consistent with the KBRA to preserve the OPPA agricultural, industrial, and municipal economies, and environmental resources.***

## On-Project Plan Development Approach

KWAPA is committed to developing an integrated plan in a collaborative manner. It will be critically important while developing the OPP to respect and address individual water district needs, concerns, and input throughout the coordination process, facilitated by the On-Project Plan Advisory Committee (OPPAC). In addition, the KBRA calls for close coordination with Reclamation and the U.S. Fish and Wildlife Service (refuge staff), which is important for the overall success of the OPP.

Consistent with the build-as-you-go approach, the development of the OPP has been divided into four distinct phases to assist in the overall planning and resource allocation effort. An aggressive schedule – one that aims to have the OPP wrapped up in late 2012 – is outlined in TM1. However, this ambitious deadline could be influenced by a variety of factors, and could very well be pushed back to a later time.

## On-Project Plan Advisory Committee

KWAPA earlier this year organized the On-Project Plan Advisory Committee (OPPAC), and prepared and approved rules and guidelines for OPPAC operation. (see sidebar to right for a list of OPPAC members).

"The purpose of the OPPAC is to assist with developing the OPP using an open, transparent, and collaborative interdistrict approach," said Cannon.

"The OPPAC will provide guidance and advice to KWAPA staff and consultants during preparation of the OPP."

The OPPAC will also make recommendations as needed to the KWAPA Board of Directors, including whether to approve and accept the final OPP. In September, the OPPAC unanimously approved TM1 and passed its recommendations on to the KWAPA board of directors.

## A Locally-Led Plan to Address Water Challenges

The KWAPA board of directors believes Klamath Project farmers and ranchers need one plan that addresses local water challenges.

"The status quo for Project irrigators is not an option they desire," said Bair. "The OPP will be the local irrigators' plan, not the Bureau of Reclamation's plan. We intend to develop the OPP working with irrigators and the national wildlife refuges in an open, transparent fashion."

The status quo is rooted in regulatory uncertainty, with potentially greater risk to Project water users. Irrigation districts and their water users will be left with addressing ESA issues year to year, likely through conflict and litigation, as they have in the past. They also face exposure to greater uncertainty with respect to future effect of tribal rights and claims.

The OPP will lay the ground work for the specific measures which can be implemented by KWAPA and local irrigators to align water supply and demand. In particular, water managers should gain a better understanding of the best locations, times, durations, impacts and flows for groundwater pumping schemes that may be employed in drier years. The effort should also provide more coordination between states of Oregon and California with respect to water management.

"We should have a better and more manageable way to identify and implement water conservation opportunities," said Mark Deutschman, a consultant with Houston Engineering.

Some in the community question what will happen to the OPP if legislation that would authorize the KBRA fails to move forward in Congress.

"If the KBRA does not move, our irrigators will still have a much-needed plan and improved understanding of water management limitations and opportunities," said Cannon.

Because the irrigation community is an integral part of the OPP, Cannon and other KWAPA representatives expect that identifying and implementing these measures regardless of the KBRA will be valuable in aligning water supply and demand. Since the identification and prioritization of these measures will bring more transparency to KWAPA's decision making process, KWAPA expects greater understanding and acceptance of the decisions being made and less angst and reduced conflict within the local irrigation community.

And what if the KBRA is successfully authorized and implemented?

"Klamath Project water users will secure federal funding to set up long-term mechanisms leading to improved water supply certainty with the OPP," Cannon predicts.

***On-Project Plan Advisory Committee***

***Bob Flowers - Ady District Improvement Company***

***Shane McDonald - Enterprise Irrigation District***

***Ed Bair - Klamath Basin Improvement District***

***Luther Horsley - Klamath Drainage District***

***Rocky Liskey - Klamath Hills District Improvement Co.***

***Dave Cacka - Klamath Irrigation District***

***Luke Robison - Malin Irrigation District***

***Grant Knoll - Pine Grove Irrigation District***

***Curt Mullis - Pioneer District Improvement Company***

***Gary Derry - Shasta View Irrigation District***

***Pat Patterson - Sunny Side Irrigation District***

***Earl Danosky - Tulelake Irrigation District***

***David Jensen - Van Brimmer Ditch Company***

***Steve Kandra - Westside Improvement District***

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We're on the web!
www.kwapa.org

*Working together towards locally based solutions to energy issues, water management issues*

*And coordination in other areas to the benefit of the whole community.*

**The Klamath Water and Power Agency (KWAPA) is a joint powers / inter-governmental agency whose members are water agencies within the Klamath Reclamation Project.**

**KWAPA provides programs to align water supply and demand, generally within the Klamath Project. We seek to identify areas for efficient use of energy and exercise the authority of a PUD.**

**KWAPA obtains and provides transmission and delivery of Federal preference power for eligible On-Project and Off-Project Power Users.**

## OPP Goals and Objectives

- *Meet commitments specified in the KBRA*
- *Maintain long - term sustainability of Klamath Reclamation Project agriculture*
- *Minimize reductions in irrigated agriculture in the On-Project Plan Area (OPPA) and avoid any uncompensated reduction in irrigated agriculture*
- *Ensure equitable treatment among districts, avoid impacts on district operations, and seek opportunities for improved water management operations within and across districts*
- *Develop fair, equitable, and transparent strategies for aligning water supply and demand*
- *Consider cost effectiveness of alternatives to the overall Klamath Basin economy and minimize third - party impacts*
- *Avoid adverse impacts on groundwater as a result of OPP implementation or administration*
- *Use groundwater in a long - term and sustainable manner, and address all relevant in - basin groundwater management objectives, including identifying and addressing potential impacts on areas directly adjacent to the OPPA*

Klamath Water and Power Agency
KWAPA