



Klamath County Chamber of Commerce

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January 6, 2011

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Mr. Jason Phillips
Area Manager
Klamath Basin Area Office
6600 Washburn Way
Klamath Falls, OR 97603

Re: Klamath Irrigation Project Operations

Dear Mr. Phillips:

On behalf of the Klamath County Chamber of Commerce (Chamber) we write to thank you for efforts made during the 2010 growing season to provide water resources for the Klamath Irrigation Project community as well as efforts to preserve the natural ecosystems of the area. However, the stored water from the Klamath Project that was made available this past year was far below normal levels. If Klamath Project irrigators face similar circumstances in 2011, our local businesses may face fatal results. We urge that federal agencies manage Upper Klamath Lake this winter and spring to allow for full capacity water levels by the beginning of the next irrigation season.

About the Chamber

The Klamath County Chamber of Commerce is the oldest active business advocacy organization (incorporated in 1905) in Klamath County. Chamber members provide support for a wide variety of community activities, events and charities. We are proud to represent 550 businesses located in or near Klamath County, and the economic health of many of these businesses relies on a healthy agricultural economy.

Importance of Agriculture to Local Economy

Agriculture provides tremendous direct and indirect benefits to the local and regional economy. For example in 2009 gross sales, or farm gate value for Klamath County was \$241,299,000. The total contribution from farms to Klamath County was \$482,598,000. For every \$1,000,000 in gross farm sales, 15 full or part time jobs are generated. Food production is also a business sector that generates wealth and jobs. In 2007, farms in Klamath County Oregon contributed to the full time and part time employment of roughly 4500 people. When you look at agriculture as a business entity within our County, it is one of the business sector's largest employers.

"The Klamath County Chamber of Commerce is committed to Klamath County by advancing its economic vitality and quality of life through the education, promotion and networking of our members"

Importance of Klamath Irrigation Project Operations to Local Agriculture

For eighty years, Klamath Project irrigation supplies proved sufficient to meet the needs of our area's burgeoning farming and ranching communities. Although there were years where Mother Nature and Klamath Project storage capacity proved insufficient to meet full irrigation demands, the local community managed to stretch thin supplies and make things work. That all changed in the early 1990s, when steadily more restrictive government agency decisions made to meet Endangered Species Act (ESA) goals began to steadily chip away at the stored water supply originally developed for irrigation.

Two sucker species were listed (1988) as endangered and coho salmon were listed (1997) as threatened under the ESA. Since then, biological opinions rendered by the U.S. Fish and Wildlife Service (for the suckers) and National Marine Fisheries Service (for the coho), have increasingly emphasized the reallocation of Project water as the sole means of avoiding jeopardy to these fish. Klamath Project "operations plans" based on these biological opinions also factor in tribal trust obligations.

In recent years, local water users have cooperated in programs that have resulted in ever-increasing amounts of water being dedicated to in-stream flows for coho salmon located far downriver from Project lands. In fact, by release of water stored during high flow periods for irrigation, the Klamath Project has furnished flows higher than would occur in a natural state. The increased flows have been pursuant to a long-term plan by the federal agencies, which seeks ultimately to address the multitude of factors that affect coho salmon in the watershed.

The recent federal focus on Klamath Project operations once again suggests that everything else impacting fish populations can be ignored, and that flows from the Klamath Project will mitigate for all other impacts within a 10 million acre watershed. In 2001 and again this year, water was directed away from the Klamath Project by biological opinions. We now know that the National Academy of Sciences has since concluded that the 2001 opinions were based on flawed science. The Klamath Project – as has been the case for decades - accounts for less than 4% of the water resource in the entire watershed. Attempts to remedy watershed wide problems by looking solely at the Klamath Project have not worked. Viewing a resource that contributes 4% of the entire resource as 100% of the solution is neither logical, or science based. The practical application of this flawed logic, has only resulted in destabilizing the economy of an entire community, it has done nothing to fix the problems of the watershed. We must seek accountable, results-driven efforts throughout the watershed and the ocean to tackle fisheries challenges. Recovery of endangered and threatened fish species can not be done solely on the backs of the family farms that depend on stored water.

Call to Action

Many of our business members are under the impression that extra water – above and beyond the biological opinion guidelines - was released in 2009/2010 at the request of the National Marine Fisheries Service (NMFS) and other downriver organizations. They are calling for the coho biologic opinion to be reviewed. Economic impact needs to be assessed and reflected in Klamath Project operations. At the very least, the water releases should be held within the levels of the biological opinion.

We understand the many competing needs and interests regarding water issues in the Klamath River watershed. We respect the tremendous collaborative work that has been done thus far, in part due to the improved relationships that have blossomed as the Klamath Settlement Agreements (KSAs) were crafted. In fact, the Chamber is on record for formally supporting the KSAs. However, we believe the credibility and long-term viability of the KSAs will be severely diminished if the agreement signatories cannot find a way to fill Upper Klamath Lake in 2011. Our community simply cannot stand another 2010.

There is clearly a need for more stable and predictable local agricultural water supply. We believe there is a very simple overarching principal that will improve predictability and stability for all the Basin water interests: Reclamation and fishery managers should focus management efforts by striving to ensure that Upper Klamath Lake is full at the beginning of each irrigation season. We also respectfully request the following:

1. Commit that Reclamation will meet with PacifiCorp and Klamath Irrigation Project representatives to find ways to build on the collaborative spirit of the KSAs so that future storm events can be adaptively managed in a way that benefits our water users as well as the environment. This meeting should be used to seek and document as much information as possible about how the system as a whole is being operated. This meeting also provides an opportunity to discuss proposed changes to the current Biological Opinions.
2. Develop a written explanation of Reclamation protocols that are in place, including chain of command and relationship with PacifiCorp to ensure that reactions to storm events will be more immediate in the future.
3. Continue to conduct regular meetings in the coming months with PacifiCorp, the Klamath Water Users and other Klamath Irrigation Project representatives to discuss this situation and ongoing management concerns.

The current hydrologic conditions, particularly the refill rate and level of Upper Klamath Lake, appear to be encouraging, and we hope that Mother Nature and sound management will prevail this winter. All Basin communities stand to lose if Upper Klamath Lake does not fill again in 2011.

Thank you for your consideration of this important request.

Sincerely,

Jodi Kucera
President

Charles Massie
Executive Director

Cc: U.S. Senator Jeff Merkley
U.S. Senator Ron Wyden
Congressman Greg Walden
Oregon Senator Doug Whitsett
Oregon State Representative Bill Garrard
Klamath County Board of Commissioners
City of Klamath Falls Council
Don Glaser, Director, Mid-Pacific Region, Bureau of Reclamation
Ren Lohofener, Director, Southwest Region, U.S. Fish and Wildlife Service
Rod McInnis, Administrator, NMFS Southwest Region