



Klamath Water Users Association
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Weekly Update

March 18, 2005

Also available at: www.kwua.org

KWUA Representatives attend Klamath Falls Public Utility Commission “Open House”

on Tuesday March 15. The Open House format was a surprise for most attendees, as we expected a more traditional formal hearing. There were more than 100 persons there that did have an opportunity to visit with PUC representatives, the case hearings officer, KWUA and PacifiCorp regarding two pending rate cases. Case UE 170 deals with a request for a general rate increase by PacifiCorp. Case UE 171 deals with specific issues regarding PUC perspective of power rate for Klamath Basin water pumping. It is KWUA’s position that PUC consideration of a pending agreements and relationships with pending FERC re-licensing is pre-mature.

PACIFIC NORTHWEST DELEGATION

DEFEATS RATE HIKE Washington, DC – A proposal that would have required power marketing administrations (PMAs), including the Bonneville Power Administration (BPA), to significantly increase rates to consumers was rejected by the Senate Budget Committee, largely through the efforts of Senators from the Pacific Northwest. The budget resolution, passed today by the Senate Budget Committee, did not include revenues associated with the proposal. The resolution, which sets up the framework for federal spending, will now be sent to the full Senate for action.

“The Administration’s proposal to force Bonneville to charge market rates would have cost Northwest ratepayers billions of dollars more for their power, and the Northwest coalition had a responsibility to block that kind of economic poison for our region,” said Senator Ron Wyden (D-Oregon). “This delegation banded together on a bipartisan basis in the best interests of all our constituents.”

“Attacks on BPA seem to be a perennial issue,” Senator Gordon Smith (R-Oregon) said. “But for another year this matter is dead. I’m optimistic that widespread opposition and the leadership of Senators Gregg and Domenici have put the question to rest. If it does ever come up again, I’ll be there to fight it.”

Senator Larry Craig (R-Idaho), said, “I am pleased the Senate agrees that BPA is not in the business of funding the government. I am also pleased that the Senate rejects any notion that BPA is subsidized by the federal government, recognizing, as it should, the continued vitality of the BPA Appropriations Refinancing Act that resolved the subsidy issue in 1996. BPA stands on its own, as it should.”

Dan Keppen named as Executive Director of Family Farm Alliance.

Keppen recently stepped down after three years of managing and serving as spokesman for the Klamath Water Users Association and embattled farm families around Klamath Falls, Oregon, where Keppen lives and where the Family Farm Alliance’s offices will soon be relocated. He has 16 years of experience in association management and water issues and also served as a special U.S. Bureau of Reclamation Assistant in the Mid-Pacific Region. Keppen succeeds Craig Smith. Smith is stepping down to pursue an expanded role with the Northwest Food Processors Association and a ministry in his Salem, Oregon, church.

“This Alliance is one of the most respected organizations representing Western water,” Keppen said. “It is really one of the privileges of my life to be able to work with farmers throughout the West.”

The Family Farm Alliance, as a grassroots-based organization, plans to focus on a few issues that are of critical importance to the West’s irrigated agriculture. They include:



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Water Storage.
The Future of Agriculture
Use of Federal Resources
Title Transfers

Alliance said, "The themes expressed in our responses generally reflect our belief that streamlined federal regulation and decision making are the keys to sound Western water policy. Whenever possible, meaningful delegation of decision-making authority should be transferred to the local level with less federal intrusion in basin issues." What is needed, the Alliance said, is certainty to all water users, balanced solutions to resolve differences between water laws and environmental laws, deference to state law on water issues, support for development of new and environmentally sound water supply sources, and cost effective operation and maintenance of existing water supply infrastructure.

For more about the Alliance, please visit
www.familyfarmalliance.org

WATERMASTER FEES RISE: Modoc Farm Bureau working on Watermaster service fees Modoc County Record – 3/10/05

Irrigators in most of Modoc nearly had heart failure when the state Department of Water Resources announced last August that Watermaster fees were going to increase as much as five times. Protests from local governments in his area resulted in changes that brought the increase down to more manageable levels, but still could be up to 200 percent more than the previous year.

Sean Curtis, of the Modoc County Farm Bureau, said this week that the agency is working on an alternative program to provide Watermaster

services in the Ash Creek, Big Valley, North Fork and Surprise valley Watermaster service areas. Curtis said the Farm Bureau will be holding public meeting on the proposals in the near future and those meetings will be announced soon.

Just exactly what that proposal will be is in the planning stages, but could include contracting with the state or with a private individual to provide the Watermaster services. Curtis estimated that Watermaster services for North Fork, for instance, is in the \$58,000 per year range with the state. He hopes to find an alternative that could be accomplished with less funding and still provide the necessary services.

Since the Watermaster deals with adjudicated rights, Curtis said the alternative will have to be presented to a local judge in court for approval. Hot

Spring and South Fork Irrigation Districts have privately contracted Watermaster service.
<http://www.modocrecord.com/NEWS.html#Modoc>

PACIFIC LUMBER COMPANY: Headwaters Deal Center of Dispute Santa Rosa Press-Enterprise – 3/13/05 By Mike Geniella

For decades, Pacific Lumber Co. was touted by conservationists for its environment-friendly logging practices. But the 136-year-old company earned the scorn of the environmental community when the pace of logging sharply escalated following a 1986 corporate takeover by Houston financier Charles Hurwitz and Maxxam Inc.

Pacific Lumber soon became the poster company for statewide environmental dismay over the logging of some of the last ancient redwoods in



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private ownership and the fast pace of timber cutting across its 220,000 acres of timberlands.

In a bid to end those controversies, government representatives and the company began to negotiate for the public purchase of Headwaters Forest, the largest remaining tract of ancient redwoods left in private ownership. Finally, a few minutes before a midnight deadline, a deal was struck in March 1999. In return for the Headwaters cash, the company agreed to a 50-year management plan that imposed the toughest environmental restrictions ever on a timber company. It also provided government assurances of a steady level of annual timber cut across Pacific Lumber timberlands.

Now six years later the terms of that controversial deal are in dispute, the crux of the regulatory drama pitting Pacific Lumber against the North Coast Regional Water Quality Control Board, which was not a signer to the Headwaters agreement. Catherine Kuhlman, the water board's executive director, said she and staff now view the Headwaters agreement as simply a "foundation" for environmental safeguards, "something to be built upon."

Pacific Lumber President Robert Manne said a deal is a deal. The water board's current stance is tantamount to "changing the rules in the middle of the game," he said. Without such plans, Manne said public-private partnerships to protect the environment on privately owned timberlands will be much harder to implement.

KWUA Calendar

March 29- Senator Ron Wyden "Drought Preparedness Forum 10:30 AM in Salem Public Library, 585 Liberty Street, Salem, Oregon

April 4- first working day for new Executive Director Greg Addington

April 4- KWUA Power Committee meeting at KWUA office 7 PM.

April 13- KWUA Board of Directors meeting at KWUA office 6 PM.