



COUNTY OF SISKIYOU

Board of Supervisors

P.O. Box 750 • 201 Fourth Street
Yreka, California 96097
www.co.siskiyou.ca.us

(530) 842-8005
FAX (530) 842-8013
Toll Free: 1-888-854-2000, ext. 8005

May 1, 2012

Klamath Basin Coordinating Council
c/o Ed Sheets Consulting
3055 N.W. Cumberland Road
Portland, OR 97210

Re: Response to KBCC Second Annual Report Regarding
Klamath Basin Settlement Agreements¹

Gentlemen:

This letter is written on behalf of Siskiyou County and the Siskiyou County Flood Control and Water Conservation District as a response to the Second Annual Report issued by the Klamath Basin Coordinating Council (KBCC). It continues to be a concern of the County and the District that the KBCC group is somehow benefitting from public funds in order to perpetuate its spin on the Klamath Hydroelectric Settlement Agreement (KHSA) and the Klamath Basin Restoration Agreement (KBRA).²

Also of concern is that it appears that even though the NEPA/CEQA processes have not been completed, the KBCC is acting in concert with the federal government to coordinate

¹The County and Flood Control and Water Conservation District, by responding to this Report in identifying the KBCC, do so solely as a matter of convenience in identification of a way to communicate with this group and expressly do not acknowledge any legal right or standing on behalf of the KBCC to take any of the actions discussed, nor should this be construed as an acknowledgment by the County or the Flood Control and Water Conservation District of the legal authority of this group to do anything.

²It appears from the Report that the National Marine Fisheries Service, the United States Forest Service, the United States Department of the Interior, including the Bureau of Indian Affairs, the Bureau of Land Management, the Bureau of Reclamation, and the U.S. Fish and Wildlife Service are somehow funding the ongoing activities of the KBCC even though there is no federal legislation authorizing expenditures for these Agreements and even though the parties acknowledge that federal legislation is required for full participation of the federal government.

Jim Cook
District 1

Ed Valenzuela
District 2

Michael Kobseff
District 3

Grace Bennett
District 4

Marcia H. Armstrong
District 5

other program activities in order to accomplish the purposes of these Agreements. This is not speculation on the part of the County and the District. In fact, the Second Annual Report acknowledges that “the parties have also made excellent progress on implementing the provisions of the Hydroelectric Settlement.”³

Even though the Department of the Interior is not yet a party to the KBRA, the Second Annual Report notes that there is funding for implementation of the KBRA in a variety of budgets, including the Fish and Wildlife Service, USGS budget, and others “to begin implementation of actions that address water supply enhancement and restoration of natural resources that support the Klamath Basin Restoration Agreement.”⁴ The balance of the document produced by the KBCC is filled with references to the activities being undertaken by the KBCC group and the federal government to essentially circumvent the promised NEPA/CEQA process, required federal legislation, and a variety of other legal requirements. When this is viewed in light of the exceptionally large returns of salmon this year to the Klamath River and the concerns expressed by the expert fish panels published as part of the Secretarial Review process, a question arises whether this type of piecemeal, uncoordinated approach to restoration activities could cause more harm than good. Ignored by the KBCC are the many ongoing efforts of the County and District, as well as other agencies who have been engaged for many years in restoration activities. Given the large runs of salmon this year while the dams are still in place, one questions the utility of the continued expenditure of millions of dollars to support the existence of the KBCC group, the unauthorized activities, and the Agreements.

One of the major reasons for moving forward with the KHSA and KBRA has been an argument that somehow there is an economic benefit overall to removing the dams. This is a secondary justification advanced for why the Agreements are supposed to be a good idea. It now appears from the fish panel reports and other reports, as well as the large return of salmon this year, that perhaps the Agreements are irrelevant to the return of salmon or, as supported by the scientific review produced by the fish panels, of questionable utility in restoring salmon. However, when the economic facts are reviewed, it is clear that there is no real economic benefit.

First, it is important to keep in mind that the whole idea that there can be any economic benefit is entirely dependant upon not only the full implementation of the KHSA, KBRA, and

³Second Annual Report at page 7.

⁴Second Annual Report at page 11.

their full funding in excess of a Billion taxpayer dollars, but also dependant upon what is at best speculation as to whether the increases in fish will occur.

Attached as Exhibit B to the Second Annual Report is a copy of the Executive Summary for the Secretarial Determination Overview Report. This Report, supported by the KBCC and advanced by them as justification for moving forward with the KBRA and KHSA by its own economic analysis, demonstrates the failure of the projected actions to produce an economic benefit. Specifically, examination of pages 19-23 demonstrates that there is over a One Billion Dollar loss in economic benefits, even taking into account the best case scenario for economic improvement noted in the Second Annual Report.⁵

It should be disturbing to some of the parties that support this Agreement that the table at page 22, Table ES-9 of the Executive Summary, identifies that there is "insufficient data" to quantify the benefits to Tribal commercial fisheries, in-river Steelhead and Redband Trout sport fishing, refuge wildlife viewing, and, particularly disturbing to the County, insufficient data to quantify the damage to real estate values in the County. The Report does not even address hydropower ancillary services which were considered outside the scope of the analysis, nor does the Report address the effect of changing hydropower production levels on systemwide power plant emissions or regional air quality. These things are simply not valued or considered. Certainly they are significant not only to the County, but also to the parties to the KBRA and KHSA and the many other people potentially impacted, but for whom no analysis is undertaken.

As has been noted by the County and District for many years, there is considerable concern about the integrity of the way the science and analyses are being advanced. For example, it is only by the use of what we believe is a discredited process that the KBRA and KHSA can even arguably be construed somehow to come up with a positive economic analysis. The Nonuse Valuation prepared by the government has been the subject of severe criticism not only by the County and the District, but also by the participants themselves in the survey, many who wondered why they were being asked, some offended by the \$2 bills and some who thought the opinion of people who lived by the dams to be more important. Therefore, the KBCC's continued reliance upon such flawed analyses can only be taken to be spin in an effort to advance their argument that somehow the KBRA and KHSA remain viable.

⁵See Executive Summary for the Secretarial Determination, pages 19-23, Second Annual Report at page 13.

In order to fully address the many flaws and spin of the Second Annual Report, it would require a report almost equal in size. The County and District believe that the discussion above effectively demonstrates why the KBCC should no longer be funded.

However, one last area merits discussion and demonstrates just how flawed the KBCC process is.

The Second Annual Report states that the KBCC “serves as the primary forum for informing the public and for public involvement.”⁶

The Second Annual Report also advances the KBCC as serving as “an information clearing house so that members of the public have a one-stop access point to what could otherwise be scattered information on these related agency processes.” The Report further states there is a “responsibility to implement its programs and to operate in a publicly transparent manner, actively solicit public input, and consider public input in decision making. If this is the purported goal of the KBCC, why has it held its meetings outside the area of greatest impact? “The KBCC has held eight meetings since the Agreements were signed. These meetings have rotated between Klamath Falls and Ashland/Medford area of Oregon, the Arcata and Eureka areas of California, and Redding, California.”⁷ Three of the four dams are located in Siskiyou County in California. The areas of greatest impact and requiring the greatest amount of restoration are located for the most part in Siskiyou County. The area suffering the whole of the economic loss is Siskiyou County, California. There are simply no economic benefits identified that offset the losses to be imposed on Siskiyou County. Yet the KBCC meets everywhere but the place where the most affected public resides. Siskiyou County has requested copies of the documents related to the FACA committees being formed. It has received no response. These committees are essential to the federal agencies participation in the process. The illusion that somehow the federal agencies are not participating because they sit in the audience and no longer sit at the table during the KBCC meetings does not somehow exempt these agencies and the KBCC from complying with this federal requirement. Please accept this letter as renewing our request for copies of the draft FACA committee charters that are being created.

In closing, the County and the District respectfully request that the KBCC cease interaction with the federal agencies until authorized to do so, request that the federal agency members of the KHSA cease their attempts to incrementally implement the KHSA and

⁶Referencing KBRA, Section Appendix D.

⁷Second Annual Report at page 8.

Klamath Basin Coordinating Council
May 1, 2012
Page 5

KBRA without appropriate federal legislation and authorization, and specifically object to the continued expenditure of taxpayer resources on an endeavor that at this point has neither scientific or economic justification.

Very truly yours,



Grace Bennett, Chair
Siskiyou County Supervisor
District 4



Grace Bennett, Chair
Siskiyou County Flood Control and
Water Conservation District



Jim Cook
Siskiyou County Supervisor
District 1



Jim Cook, Director
Siskiyou County Flood Control and
Water Conservation District



Ed Valenzuela
Siskiyou County Supervisor
District 2



Ed Valenzuela, Director
Siskiyou County Flood Control and
Water Conservation District



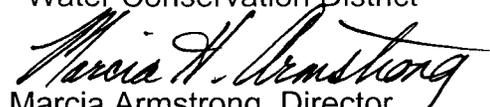
Michael Kobseff
Siskiyou County Supervisor
District 3



Michael Kobseff, Director
Siskiyou County Flood Control and
Water Conservation District



Marcia Armstrong
Siskiyou County Supervisor
District 5



Marcia Armstrong, Director
Siskiyou County Flood Control and
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Klamath Basin Coordinating Council
May 1, 2012
Page 6

cc: Secretary Ken Salazar
Senator Dianne Feinstein
Senator Barbara Boxer
Congressman Wally Herger
Congressman Mike Thompson
Congressman Greg Walden
Congressman Tom McClintock
Congressman Doc Hastings
Senator Doug LaMalfa
Assemblyman Jim Nielsen
Senator Ron Wyden
Senator Jeff Merkley
Governor Jerry Brown
Governor John Kitzhaber
Secretary John Laird, Natural Resources
Director Charlton Bonham, California Dept. of Fish and Game
John Bezdek, Solicitor to Secretary Salazar
Greg Norton, President, RCRC
Mike McGowan, President, CSAC
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