



**UPDATED REQUEST FOR IMMEDIATE EMERGENCY BOARD ACTION TO
HELP KLAMATH COUNTY CITIZENS, INCLUDING KLAMATH TRIBES'
RESOURCE PROTECTION**

October 26, 2021

Our organizations represent farmers, ranchers, conservationists, and irrigation districts that are part of the Klamath Basin community. Our community has suffered extreme hardship this last year, with drought conditions that resulted in farmers, livestock producers, and irrigated pasture owners throughout the basin failing to receive the water they needed to remain economically viable, suffering alongside ecosystems and communities who were dramatically impacted by the lack of water this year.

We first requested your assistance in April 2021. In July 2021, we updated our request for resources from section 167 of HB 5006 (2021) to be directed to the basin. Throughout the summer and fall, the below-signed parties have engaged in extensive conversations with Governor Brown and her staff, key legislators, state agencies, and members of the affected communities involved in developing a drought relief package. We have continued to refine our critical funding requests caused by the devastating lack of irrigation water. Understanding that the Emergency Board will likely meet soon, these same parties have brought current these needs in order that Emergency Board action be best focused and effective.

The urgent needs¹ for immediate action at the upcoming Emergency Board meeting are as follows:

- 1. Basin-Wide: \$4 million (M) for: (a) mitigation of costs incurred by residents for domestic well mitigation and water tanks/trucking; (b) well improvements (deepening/replacement) or substitute supplies for individual homes; (c) exploration and possible implementation of the development of consolidated community wells; and (d) funding to develop a municipal water filling station in the event of future drought related well failures in Klamath County. These funds would be administered by Klamath County, in cooperation with appropriate state agencies and local agencies such as the Klamath Project Drought Response Agency (KPDRA).**
- 2. On-Project: \$8M to irrigation districts (and similar entities) for reimbursement or offset of assessments charged to patrons/water users for operation and maintenance costs (administered through Oregon Water**

¹ In general, items 1 and 2 represent needs in the service area of the Klamath Irrigation Project (Project), south and east of Klamath Falls. The remaining items will primarily assist farmers and ranchers and resources in areas not served through the Project.

Enhancement Board (OWEB) to KPDRAs/districts). The relevant districts would have the option of whether to refund water user payments for 2021 or offset immediately-upcoming charges/assessments.

- 3. Off-Project: \$1M for livestock watering wells and construction of off-channel water facilities for livestock producers and irrigated pasture owners, including Tribal allottees, with \$2M in additional funding longer term (also provides protection for riparian corridors) (administered through OWEB to local special districts and non-profits).**
- 4. Off-Project/Non-BOR Funded Districts: \$15M to farmers, livestock producers, and irrigated pasture owners to remain solvent (administered through OWEB to Klamath County).**
- 5. Basin-Wide: \$1M for drought resiliency work in Klamath County (administered through OWEB).**

For each of these requests, we also request an additional 10 percent allocation for cost of program administration (including employees, contracted person, or firms). Administrative costs in excess of 10 percent would reduce the amounts stated above.

We also support an appropriate, immediate allocation of state funding to establish a table for stakeholder-driven solutions to bring about water and resource management reliability and stability. This initial increment could be followed by subsequent allocations that also leverage other resources.²

CONTEXT

Nearly all of Klamath County lies in the Klamath River basin. The region is rural, and very dependent on irrigation for its primarily agricultural economy. There is great diversity within the agricultural community that drives local economies, but for the purposes of this document, we distinguish primarily between land that is served through the Bureau of Reclamation's Klamath Project (Oregon portion only; approximately 135,000 irrigated acres in Klamath County, south and east of Upper Klamath Lake) and land that is not served by the Klamath Project (approximately 200,000 acres in Klamath County, primarily irrigated pasture land relying on tributaries to Upper Klamath Lake and water from the lake itself).

In a normal year, these lands generate hundreds of millions of dollars in economic activity and provide food and habitat for abundant wildlife. Unfortunately, this is far from a normal year, and the communities are suffering.

² We have reached out to the Klamath Tribes and sought to incorporate Tribal requests into our previous communications and this letter. However, the Tribes required additional time to develop their requests in coordination with their full Council. We support including Tribal needs in a broader Klamath Emergency Board request. Based on our conversations, we understand that the Klamath Tribes are pursuing a separate, but related, request for assistance directed to Tribal needs to deal with the drought disaster in the Klamath Basin, and we look forward to the details of those requests.

Winter precipitation and snowfall were very deficient, and by all measures relevant to agriculture, 2021 has presented the worst drought conditions of record. Exacerbating the problem, 2020 was also extremely dry, and the limited snowmelt and rainfall largely seeped into the dry ground, resulting in run-off quantities even lower than one would expect based on this year's precipitation alone. Based on federal laws and policies that were not factors until recently, the minimal amount of water that does exist has been used, almost exclusively, for instream purposes. This severe drought has not only caused extensive harm to the agricultural economy, but it has created environmental challenges within the basin as well, with increasing pressure on pastures and riparian areas due to severe forage and feed shortages, and increased fire danger for Tribal resources and the community due to dry conditions.

On May 6, 2021, Oregon Farm Bureau Federation, Oregon Water Resources Congress, and Klamath Water Users Association (KWUA) sent a letter to Governor Brown, identifying critical funding needs for the rural citizenry in Klamath County, broken down into eight categories. Subsequently, section 167 of House Bill 5006 appropriated \$150 million to the Emergency Board for allocation to natural disaster prevention, preparedness, response, and recovery activities during the biennium beginning July 1. We understand that relief related to the catastrophic drought and water supply conditions in Klamath County was contemplated within this appropriation.

On July 19, 2021, the undersigned parties wrote to the Emergency Board and Governor Brown, updating and refining the needs previously communicated to the Governor. Throughout the summer, we communicated with the Governor's Natural Resources Policy Advisor, explaining the relationship of these requests to known or possible federal sources of relief. To our knowledge, none of these needs are covered by existing federal appropriations or the anticipated use of existing federal appropriations available in the basin. Instead, these resources fill critical voids in existing and foreseeable federal programs.³

Understanding that the Emergency Board will meet soon, the undersigned have again assessed the critical needs in light of current circumstances. In some cases, those needs have evolved. For example, whereas in May or July certain forms of relief might have avoided or minimized an impact, by now the impact may have unfortunately occurred (e.g., liquidating herds or other assets), necessitating a different approach to drought relief.

³ We have no expectation of new federal authorizations or appropriations that would target relief in the Klamath Basin for impacts incurred in 2021. The Bureau of Reclamation (Reclamation) and Department of Agriculture did identify and commit certain resources under already-existing authorities and appropriations. While helpful and welcome, the scope of problems requires a broader range of tools.

DETAILED DISCUSSION OF URGENT NEEDS

The following provides additional information related to the requested actions.

1. *Basin-Wide: Domestic Well Mitigation*

More than 200 private wells that provide water for drinking, cooking, and sanitation⁴ are dry. This public health and safety crisis grows daily. Affected rural residents, some of whom are on fixed incomes, are seeking assistance.

Domestic wells typically rely on shallow groundwater, which in turn must be recharged from available water sources. In the last few years, recharge from precipitation has been inadequate. Exacerbating the problem, canals normally convey water that incidentally recharges shallow groundwater, but the canals are dry. Pumping from larger, irrigation wells, which is occurring where possible, can also lower groundwater levels in the vicinity of other wells.

The problem is greatest in (although not limited to) the geographic area served by the Project. The major arterial canal in that area is the A Canal, which feeds numerous other canals and laterals that branch out through the farmland, providing recharge to domestic wells. There are 1,800 domestic wells within the service area of the A Canal. This year, for the first time since it began service in 1907, the A Canal has diverted zero water; it is dry and has been dry all year.

On July 9, the Office of Emergency Management and Department of Human Services, working with the Oregon Water Resources Department, Klamath County, and local interests, became involved, and their presence is extremely welcome. The state agencies have provided tanks and water trucking for residents lacking water for basic needs. The local Watermaster's office began tracking dry and failing wells. Thus far, more than 220+ domestic wells are reportedly dry.

REQUEST: \$4M⁵ for: (a) mitigation of costs incurred by residents for domestic well mitigation and water tanks/trucking; (b) well improvements (deepening/replacement) or substitute supplies for individual homes; (c) exploration and possible implementation of the development of consolidated community wells; and (d) funding to develop a municipal water filling station in the event of future drought related well failures in Klamath County. These funds would be administered by Klamath County, in cooperation with appropriate state agencies and local agencies such as the KPDRA.

⁴ In several instances, these wells also water gardens and small orchards that feed the homeowners or provide water for animals.

⁵ The cost of deepening a well is estimated at \$30,000 on average. For 220 households, this would equate to \$6.6M. However, the parties to this letter intend to pursue other funding sources as needed. In addition, our request incorporates flexibility to address each situation on a case-by-case or areal basis.

2. ***On-Project: Reimbursement or Payment of Costs that Individual Water Users Pay to Districts and Similar Entities in the Klamath Project***

Producers are assessed charges to pay for operation and maintenance of irrigation works constructed to stored, divert, and deliver surface water, and operated by the districts⁶ or Reclamation. Producers, through their annual assessments, must pay these charges to districts even if water deliveries are non-existent or very constrained (which also only leads to further costs to manage).

In addition, to the extent limited water supplies existed in some areas, there were greatly increased costs, not anticipated by original assessments, to manage and move water in unprecedented ways. On top of this, of course, it is reasonable to expect that it may be difficult to collect assessments necessary for maintenance of systems in the upcoming winter and next year. This problem, in turn, is magnified by the severe deterioration of a water delivery and drainage system that was deprived of water. There has been invasion by noxious weeds that will have to be removed, somehow, for the system to operate. Additionally, canals and drains are physically damaged by the drying and cracking of soils and pest infestations. These problems are illustrated by attached photographs, taken on October 15. There will be greatly increased costs to make the system functional and safe. (By way of example, Klamath Irrigation District, where the photographs were taken, maintains roughly 400 linear miles of canals and drains to serve approximately 40,000 acres in the district.)

Districts would have the flexibility to reimburse assessments paid for 2021, cover unpaid assessments for 2021, or offset the next anticipated assessments to be charged. KPDR would allocate the funds to the districts based on each district's patrons or water user's percentage of the total assessments charged in 2021 by all districts combined in the Project service area.

Request: \$8M⁷ for reimbursement or payment of assessments charged to patrons and water users served by districts in the Project, administered through OWEB to the KPDR.

3. ***Off-Project: Livestock Watering***

In areas outside the Project, there is a critical need to construct wells to provide water for livestock. This will address both economic and environmental issues. Most ranchers rely on water diverted for irrigation of pasture to also provide stockwater. But diversion from most or all of the Sprague, Williamson, and Wood River systems is not possible this year. As a result, there are ranches that have no water for cattle. Wells would meet that need.

In addition, when ranches border a stream, it has oftentimes been common for cattle to drink directly from the stream. However, in recent years, there have been hundreds of miles of fencing installed to keep cattle out of streams and protect the riparian corridor. A lack of

⁶ "Districts" is intended to include irrigation districts, drainage districts, improvement districts, improvement companies, ditch companies, and similar entities.

⁷ Based on a survey of district 2021 assessments completed by KWUA.

available stockwater sources due to drought puts pressure to open streams back up so that cattle can access water to drink, which can undercut the original environmental restoration purpose of the fencing. With wells available to provide stockwater, the restoration values can be preserved.

REQUEST:

- **\$1M in the short term and \$2M in the longer term for livestock wells and off-channel livestock watering through the Oregon Watershed Enhancement Board, to Klamath County or its designee(s).**

4. *Off-Project and Non-BOR Funded Districts: Assistance to Farmers and Ranchers*

Farmers, livestock producers, and irrigated pasture owners in the “Off-Project” Upper Klamath Basin and three districts within the Project do not benefit from federal relief that will provide some assistance to a number of producers in the Klamath Project. To date, the Upper Klamath Basin producer communities have received little-to-no drought assistance in 2021 from either federal or state sources, and the three irrigation districts within the projects experienced water curtailments with no relief provided. Thus, we are requesting \$15M total to help farmers, livestock producers and irrigated pasture owners weather a discrete set of challenges that they have endured due to water curtailment and water shortages from the drought. Several of these producers, such as those in the Upper Sprague Basin, have also suffered doubly by losing both cattle and pasture in the Bootleg Fire. We recommend allowing resources to compensate for the following issues for producers and pasture owners whose water use is curtailed by the drought:

We request support based on an appropriate per-acre drought reduction factor for fields that could not be irrigated in 2021 due to drought. Initial estimates for the Upper Klamath Basin are \$100/acre losses affecting approximately 200,000 acres or more. The drought in the basin left many farmers unable to plant this year, livestock producers unable to graze pasture and rangeland, and created massive hay shortages around the state. Many producers suffered drastically reduced livestock gains or had to liquidate herds and they do not know how they will afford feed for remaining livestock heading into the winter months. While we asked for resources for livestock feed earlier this summer, those producers now largely need help paying off the debt they incurred buying feed, offsetting drastic losses due to reductions in livestock gains, or buying back cattle so they can have a functioning ranch into the future. This program would answer those needs. While we think an assistance program based upon irrigated acreage losses will be most appropriate, we recommend sideboards on this program to ensure that it is not duplicating federal assistance, but rather providing assistance for irrigated lands that do not qualify for federal assistance. While we are still open to a forgivable loan program similar to the program that the Oregon Department of Agriculture (ODA) is working on for the statewide relief package to help with the ability to cover farm mortgages and leases, insurance payments, herd rebuilding, hay purchases, and other costs incurred by farmers, livestock producers, and irrigated pasture owners, we believe that a per acre assistance program will be the cleanest and easiest to administer for Klamath County. We propose the following parameters: (1) the producer must own, or have leased in 2021, at least five or more contiguous acres of irrigable land; (2) the eligible lands be limited to those that have been irrigated by landowner or lessee to grow a crop or pasture for livestock

at least once in the last five years; and (3) the eligible lands received less than 50 percent of the water deliveries authorized under applicable water rights in 2021 due to the drought.

These issues impact producers across the basin, including Tribal and non-Tribal farmers and producers and pasture owners. We request that the resources under this category be available through Klamath County to ALL impacted producers in Klamath County, with preference given to Off-Project producers and landowners.

We also recommend sending resources to the local Soil and Water Conservation District or Watershed Council for investment in long-term planning, pilot projects, and other work around conservation and drought resiliency in the Klamath Basin.

REQUEST:

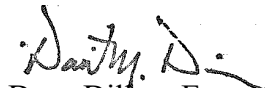
- **Off-Project/Non-BOR Funded Districts: \$15M to farmers, livestock producers, and irrigated pasture owners to remain solvent (administered through OWEB to Klamath County)**
- **Basin-Wide: \$1M for drought resiliency work in Klamath County (administered through OWEB)**

We will provide additional information or answer questions. Please contact Mary Anne Cooper (maryanne@oregonfb.org) of Oregon Farm Bureau Federation, and she will coordinate communications to you and among us.

Sincerely,



Kelley Minty Morris
Klamath County Commissioner



Dave Dillon, Executive Director Oregon
Farm Bureau Federation



Donnie Boyd
Klamath County Commissioner



April Snell, Executive Director
Oregon Water Resources Congress



Derrick DeGroot
Klamath County Commissioner



Ben DuVal, President
Klamath Water Users Association



Chrysten Lambert
Trout Unlimited



Tammy Dennee, Executive Director
Oregon Cattlemen's Association

/s/ Rex Barber
Rex Barber, Water for Life, Inc.

Attachments

cc: Senator Jeff Merkley
Senator Ron Wyden
Congressman Cliff Bentz
Senator Dennis Linthicum
Representative Vikki Breese Iverson
Representative E. Werner Reschke
Jason Miner, Office of Governor Brown