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W.Va. meet led to Klamath dam removal, salmon aid

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MEDFORD, Ore. —

The turning point toward removing four Klamath River dams in Oregon and California to restore struggling salmon runs came in the little Shenandoah Valley town of Shepherdstown, W.Va.

Michael Bogert, an aide to then-Interior Secretary Dirk Kempthorn, summoned representatives of PacifiCorp and the governors of Oregon and California to the U.S. Fish and Wildlife Service National Conservation Training Center there in May 2008. They would find a way to peace in the Klamath after decades of battling over water, fish, power and farming.

"We relicense our hydro projects - that's the regular course of business," PacifiCorp Vice President and General Counsel Dean Brockbank recalled Wednesday after the Portland-based utility announced it had agreed to terms for removing the dams.

"In this case, Gov. (Ted) Kulongoski, Gov. (Arnold) Schwarzenegger, and at that time Secretary Kempthorn made it very clear from a public policy point of view that they did not want these dams relicensed. They wanted the dams removed as part of a larger (Klamath) basin settlement and restoration program.

"Once that became abundantly clear, we shifted our framework from relicensing to settlement involving a possible dam removal framework."

Kempthorn said from Washington, D.C., that he did not initially want the dams removed, but President George W. Bush wanted a resolution to the long-standing water crisis, and he was determined to find an agreement that would be a good business decision for PacifiCorp.

"I think that was an attitude change, maybe a game-changer," he said.

A key element was the federal government agreeing that some other entity besides PacifiCorp would take out the dams, Brockbank said.

"Up until that point, people talked aspirationally about taking dams out," he said.

"But PacifiCorp was not going to take the dams out. One of our fundamental negotiating principles was someone else has got to take that burden on."

PacifiCorp has agreed to terms for removing four hydroelectric dams on the Klamath that produce enough power for 70,000 customers. If they actually come out sometime after 2020, it will open some 300 miles of river to salmon for the first time in a century. Conservation groups have characterized it as the biggest river restoration effort ever.

The utility, a unit of Omaha, Neb.-based Berkshire Hathaway Inc., is expected to sign the draft agreement by the end of the year.

The deal sets a cap of \$450 million for dam removal. Oregon has agreed to a surcharge of \$180 million on Oregon customers of PacifiCorp. California must still approve bonds to cover the rest. Meanwhile, PacifiCorp has agreed to spend \$500,000 a year for the next 10 years on restoration of coho salmon habitat in California tributaries of the Klamath River.

The focus now shifts to getting farmers, American Indian tribes, salmon fishermen, conservation groups and others to sign onto a \$1 billion proposal for restoring the Klamath Basin.

The draft agreement includes water and power assurances for irrigators in the upper basin, as well as continued farming on the Tule Lake and Lower Klamath national wildlife refuges - terms that have angered some conservation groups worried that they will limit water for fish and block the restoration of wetlands critical to improving water quality.

Charles Bonham, California director of Oregon Trout, said the support of everyone in the community is necessary for restoration to work.

"We want salmon to be met in Klamath Falls with open arms, not pitchforks," he said.

Federal marshals had to be called to Klamath Falls in 2001 to keep farmers from opening floodgates to the Klamath Reclamation Project, which had been closed so scarce water could be devoted to threatened salmon during a drought.

When the Bush administration restored irrigation the next year, tens of thousands of adult salmon died in the lower river, stranded by low water in warm pools where they were vulnerable to disease.

In 2006, poor returns to the Klamath forced authorities to practically shut down salmon fishing in the ocean off California and Oregon, triggering appropriations from Congress for millions of dollars in disaster assistance to fishermen.

"Society has been incurring great costs already outside the basin for these unresolved issues within the basin," said Mike Carrier, policy director for Kulongoski, the Democratic Oregon governor.

Not all tribes and conservation groups are happy with the way things are going.

"The (agreement) allows PacifiCorp to stall dam removal until a date when all naturally spawning salmon in the river could be dead," Hoopa Tribal Chairman Leonard Master said in a statement. "We cannot afford to wait that long."

Oregon Wild is fighting the deal's link to assurances of steady water supplies for a federal irrigation project and continued farming on two national wildlife refuges.