Utility OKs Klamath dam removals, salmon aid

Agreement is milestone in efforts to restore one of the biggest salmon runs

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MEDFORD, Ore. — The utility that owns four hydroelectric dams on the Klamath River has agreed to terms for their removal, a key milestone in efforts to restore what was once the third-biggest salmon run on the West Coast and end decades of battles over scarce water.

PacifiCorp, the states of California and Oregon, American Indian tribes, federal agencies, irrigators and conservation groups announced the draft agreement Wednesday. It is expected to be signed by the end of the year.

Removal of the dams is not scheduled to start until 2020 and depends on funding for the removal, a federal determination that it will actually help salmon and is in the public interest, and authorization from Congress.

Algae forms Aug. 21, in the reservoir behind Iron Gate Dam on the Klamath River near Hornbrook. three other dams.

"This agreement marks the beginning of a new chapter for the Klamath River and for the communities whose health and way of life depend on it," Interior Secretary Ken Salazar said in a statement. "Hats off to all the stakeholders who have worked so hard to find common ground on one of the most challenging water issues of our time."

Removal costs to be shared
PacifiCorp will not bear the estimated $450 million cost of removing the dams. Oregon has approved $180 million in surcharges on state ratepayers. Another $250 million depends on California approving general obligation bonds.

"We are not in the business of taking out dams, but the Klamath Basin crisis is a unique situation," Dean S. Brockbank, vice president and general counsel of PacifiCorp, said in an interview. "We have been able to arrive at a settlement and a business deal that is in the best interests of our customers because it minimizes costs and guards against the risks of the alternatives."

The turning point came in May 2008, when an aide to former Interior Secretary Dirk Kempthorn summoned Brockbank to a meeting at a U.S. Fish and Wildlife Service training center in Shepherdstown, W.Va. They were locked down for a week with representatives of the Bush administration and the governors of Oregon and California, Brockbank said.

They "made it very clear from a public policy point of view that they did not want these dams relicensed," Brockbank said. "Once that became abundantly clear, we shifted our framework from relicensing to a settlement involving a possible dam removal framework."

Michael Carrier, policy director for Gov. Ted Kulongoski, said the meeting was a "watershed moment" that gave the governor's office a new understanding of what was at stake for PacifiCorp.

The utility serves 1.6 million customers in Oregon, California, Washington, Idaho, Utah and Wyoming, and is owned by MidAmerican Energy Holdings Co., a unit of Warren Buffett's Omaha, Neb.-based Berkshire Hathaway Inc.

The four dams — J.P. Boyle, Copco 1, Copco 2, and Iron Gate — together produce enough electricity for 70,000 customers.

"When the Klamath dams come down, it will be the biggest dam removal project the world has ever seen," Steve Rothert, California director for the conservation group American Rivers, said in a statement. "We will be able to watch on a grand scale as a river comes back to life."

Water wars a problem in Klamath Basin
Charles Bonham, California director for Trout Unlimited, said the next key to successfully restoring salmon to the upper Klamath Basin will be a final agreement among farmers, American Indian tribes, conservation groups and others to ensure salmon restoration will not come at the expense of farming.

"We don't think we will be successful putting salmon back where they haven't been for 100 years unless we have a good, solid relationship with the landowner and farming communities," he said. "We want salmon to be met in Klamath Falls with open arms, not pitchforks."

Water wars have long simmered in the Klamath Basin, where the first of the dams and a federal irrigation project built in the early 20th century turned the natural water distribution upside down, draining marshes and lakes and tapping rivers for electricity to put water on dry farmland that grows potatoes, horseradish, grain, alfalfa and cattle.

A drought in 2001 forced irrigation water to be shut off to sustain threatened and endangered fish. When the irrigation was restored the next year, tens of thousands of salmon died trying to spawn in the Klamath River, which was too low and too warm to sustain them.

Besides blocking salmon, the dams raise water temperatures to levels unhealthy for fish. California water authorities have been taking a hard look at the toxic algae produced by the dam's reservoirs, and river advocates have sued PacifiCorp to fix the algae problem.

Goal is environmental restoration
Pressure has been building since PacifiCorp applied for a new 50-year federal operating license in 2004 and made no provision for fish passage, which stops at Iron Gate near the Oregon-California border.

California and Oregon's governors pressed for dam removal after West Coast commercial salmon fisheries collapsed in 2006 because of declines in Klamath River returns, triggering a disaster declaration.

Final approval of the dam removal agreement is key to authorization of a separate agreement to spend $1 billion over the next decade on environmental restoration in the Klamath Basin.

Some conservation groups were not happy that the deal would allow farming to continue on the Lower Klamath and Tule Lake national wildlife refuges, preventing restoration of wetlands that would contribute to better water quality, and guaranteed irrigation levels for farmers in the upper basin.

"We really can't afford to allow dam removal be linked to making other environmental problems in the basin worse," said Steve Pedery, conservation director of Oregon Wild in Portland.