



AGENDA ITEM NO.
G-1

COUNTY OF HUMBOLDT

For the meeting of: May 31, 2016

Date: May 26, 2016
To: Board of Supervisors
From: Supervisor Ryan Sundberg and Supervisor Mark Lovelace
Subject: Consider Signing onto the amended Klamath Hydroelectric Settlement Agreement

RECOMMENDATION(S): That the Board of Supervisors sign on to the revised KHSA.

SOURCE OF FUNDING: N/A

DISCUSSION: On February 18, 2010, the County of Humboldt became a signatory party to the Klamath Hydroelectric Settlement Agreement (KHSA) and the Klamath Basin Restoration Act (KBRA). The KHSA laid out the process for studies and environmental review to guide the Secretary of the Interior in making a decision regarding removal of four dams on the Klamath River. The KBRA provided for durable solutions to restore and sustain natural fish production throughout the Klamath Basin, establish reliable water and power supplies for agricultural users, communities, and National Wildlife Refuges and to contribute to the public welfare and the sustainability of all Klamath Basin communities. Both of these agreements were to be enacted through the approval of Federal legislation.

The agreements were initially scheduled to terminate by December 31, 2012 if Federal authorizing legislation had not been enacted. This date was extended by agreement of the parties in December of 2012. Though authorizing legislation was introduced, it failed to advance through Congress and, on December 31, 2015, these agreements expired.

Despite termination of the agreements, the four primary parties to the KHSA (the Department of the Interior, the State of Oregon, the State of California, and dam owner PacifiCorp; collectively "the four parties") determined that the framework provided by the KHSA could still be enacted without the accompanying KBRA and without the need for Federal authorizing legislation. The funding contemplated for dam removal came only from a surcharge on PacifiCorp's ratepayers and from California's water bond.

Signature *[Signature]*
Signature *[Signature]*

Prepared by Kathy Hayes

REVIEW: Auditor _____ County Counsel _____ Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other Board Initiated (20 minutes)
PREVIOUS ACTION/REFERRAL:

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Sundberg Seconded by Supervisor Fennell
Ayes Sundberg, Fennell, Bass, Bohn, Lovelace
Nays
Abstain
Absent

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

1 Dated: May 31, 2016
By: [Signature]
Kathy Hayes, Clerk of the Board

On February 2nd, 2016 the four parties signed an agreement-in-principle to pursue implementation of the KHSA through the administrative process governed by the Federal Energy Regulatory Commission (FERC) and using this existing non-Federal funding. During the month of March, the four parties met to present proposed changes to other settlement parties and to seek their input.

The amendments preserve the essential elements of the original KHSA signed in 2010, including the same four dams, non-federal funding sources, and a 2020 target date for facilities removal. The amendments also establish a new, non-profit dam removal entity (DRE) called the Klamath River Renewal Corporation to carry out the work to remove the four PacifiCorp dams on the Klamath River.

PacifiCorp and the Klamath River Renewal Corporation will jointly file with FERC by July 1 for transfer of the facilities to the DRE, which will simultaneously file to decommission and remove the dams through the established regulatory process governed by FERC. PacifiCorp will continue to operate the dams until they are decommissioned.

Other changes that have been made to the KHSA seek generally to remove reference to the expired KBRA, remove the requirement for authorizing legislation by Congress, strike language regarding the process for a Secretarial Determination of support for dam removal, and to outline the anticipated FERC process and timeline. In addition there are numerous other editorial changes to dates, timelines, definitions, and other details.

The KHSA does not suspend or alter any existing environmental laws including the Endangered Species Act, the Clean Water Act, National Environmental Policy Act or others nor does it waive, alter, or terminate any Tribal water or fishing rights.

Though the companion KBRA expired on December 31st, 2015, the amended KHSA includes a provision (Section 1.9) “...are committed to engage in good faith efforts to develop and enter into a subsequent agreement to agreements pertaining to other water, fisheries, land, agriculture, refuge and economic sustainability issues in the Klamath Basin with the goal to complete such agreement or agreements within the next year.”

The four parties have existing authorization to enact this revised agreement, but they are seeking support from the numerous other signatory parties to the original KHSA. These other signatory parties, including the County of Humboldt, have had numerous meetings with the four parties and have provided comments and input on the changes and amendments that have been made to the KHSA. The revised draft of the KHSA was presented to the signatory parties at a meeting in Sacramento on Wednesday, March 16th.

The final revised KHSA was signed by the Secretary of the Department of the Interior, Oregon Governor Kate Brown, California Governor Jerry Brown, and PacifiCorp at a ceremony in Klamath on April 6th. Supervisors Sundberg and Lovelace both attended the ceremony. A number of other parties have signed on to the agreement since then, including the Yurok Tribe, the Karuk Tribe, Trout Unlimited and American Rivers.

Having been a signatory to the original KHSA and KBRA, and having contributed to the process of revising and amending the KHSA, it is recommended that the County of Humboldt become a signatory party to the amended Klamath Hydroelectric Settlement Agreement.

FINANCIAL IMPACT: Signing on to the KHSA creates no specific obligations to the County of Humboldt, other than to generally support the implementation of the agreement (Section 2.1).

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion.

ATTACHMENTS: Klamath Hydroelectric Settlement Agreement