



Pacific Power |
Rocky Mountain Power
825 NE Multnomah, Suite 1800
Portland, Oregon 97232

Submitted Electronically

March 18, 2020

Jeff Nettleton, Area Manager
Klamath Basin Area Office
U.S. Bureau of Reclamation
6600 Washburn Way
Klamath Falls, OR 97603

Subject: U.S. Bureau of Reclamation and PacifiCorp Water Borrowing Agreement
(KO-500, 2.2.4.21 (PRJ-23.00))

Dear Mr. Nettleton:

This letter is submitted in response to the U.S. Bureau of Reclamation's (Reclamation) formal request of March 17, 2020 (see Enclosure 1) which outlines the expectations, responsibilities, and communication protocols that Reclamation and PacifiCorp will follow when considering to use water stored in PacifiCorp's Klamath Hydroelectric Project reservoirs. The intent of using stored water is to support flows in the Klamath River downstream of Iron Gate Dam for Coho Salmon while simultaneously preserving adequate elevations in Upper Klamath Lake to protect endangered Lost River and Shortnose suckers. PacifiCorp understands that even though Reclamation anticipates these operations will not be frequently requested, water borrowing operations are included in Reclamation's Interim Operation's Plan anticipated to be in effect through September 2022. These water borrowing activities provide important assurances that Upper Klamath Lake elevations will not drop below those deemed important for spawning suckers in Upper Klamath Lake.

As PacifiCorp communicated to Reclamation verbally on February 21, 2020, and via email on February 26, 2020, we are happy to assist Reclamation, the water users, Tribal stakeholders, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service with this request, when practicable. This remains the case.

Modifying operations of the Klamath Hydroelectric Project and being prepared to make those modifications, requires planning, affects our operations, and can impact recreational uses and other natural resources. Because of this, PacifiCorp's February 26 email stressed that successful implementation of these modified operations will require advanced coordination and notification. PacifiCorp appreciates the coordination process described in Reclamation's letter and agrees that this process will assist our operations staff in coordinating project operations to benefit Upper Klamath Lake elevations and support flow releases downstream of Iron Gate Dam.

Under this arrangement, the water available from PacifiCorp's reservoirs is limited to about 5,000 acre-feet, with this amount of water to be returned to PacifiCorp's reservoirs in June each

year so that reservoir levels can return to normal operating levels (water surface elevation of up to 2,607.5 feet in Copco Reservoir and 2,327.5 feet in Iron Gate Reservoir). If conditions indicate that more than 5,000 acre-feet would be necessary to maintain adequate Upper Klamath Lake elevations during March, April, or May, PacifiCorp understands that Reclamation will provide additional advance notice to PacifiCorp and discuss the feasibility of additional releases given operational and other constraints associated with accessing more than 5,000 acre-feet from Project reservoirs.

PacifiCorp understands the actions outlined above are required to assist Reclamation in meeting the requirements of the Endangered Species Act, while also meeting the Reclamation's water supply obligations. Similarly, PacifiCorp's ability to undertake the actions outlined above is contingent on PacifiCorp's compliance with the Endangered Species Act and other legal obligations. PacifiCorp will continue close coordination with Reclamation, the National Marine Fisheries Service, and the U.S. Fish and Wildlife Service regarding these matters to ensure existing Biological Opinions and Incidental Take Permits cover PacifiCorp's actions in parallel with Reclamation's actions.

PacifiCorp appreciates the continued close collaboration between our organizations regarding the implementation of Klamath River flow releases in support of our respective obligations and operational objectives. If you have any questions, please contact Demian Ebert (503-813-6625; demian.ebert@pacificorp.com).

Sincerely,

Mark Sturtevant
Vice President, Renewable Resources

Enclosure 1: Reclamation Letter to PacifiCorp dated March 17, 2020

cc: Jim Simondet, National Marine Fisheries Service
Laurie Sada, U.S. Fish and Wildlife Service



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Region
Klamath Basin Area Office
6600 Washburn Way
Klamath Falls, OR 97603-9365

MAR 17 2020

IN REPLY REFER TO:

KO-500
2.2.4.21 (PRJ-23.00)

VIA ELECTRONIC MAIL AND USPS

Mr. Mark Sturtevant
PacifiCorp
825 NE Multnomah Suite 1800
Portland, Oregon 97232

Subject: U.S. Bureau of Reclamation (Klamath Basin Area Office) and PacifiCorp Water Borrowing Agreement

Dear Mr Sturtevant:

This letter outlines the expectations, responsibilities, and communication protocols that Bureau of Reclamation (Reclamation) and PacifiCorp will follow before utilizing water from PacifiCorp's Klamath Hydroelectric Project (PacifiCorp's Project) while Reclamation implements its Interim Operations Plan. The intent of utilizing stored water in PacifiCorp's Project is to support Klamath River flows to benefit coho salmon downstream of Iron Gate Dam (IGD) while preserving elevations in Upper Klamath Lake (UKL) for endangered suckers. Reclamation anticipates these operations will be requested relatively infrequently; however, the water borrowing operations are included in Reclamation's Interim Operations Plan and provide important assurances that UKL elevations will not fall below those deemed important for spawning suckers in UKL.

Conditions which may generate a request to borrow water from PacifiCorp's Project are generally IGD releases in conjunction with other operations that would lower UKL elevations below 4,142.0 feet (Reclamation datum) during March, April, or May, including:

- Providing augmented releases from IGD to increase available habitat and reduce disease risk for juvenile coho salmon.
- Meeting formulaic IGD flow targets during extremely dry years.

Reclamation will regularly coordinate with PacifiCorp about conditions that may affect the need to utilize water from PacifiCorp's Project and the following steps outline Reclamation's proposed communication process prior to implementing these special operations.

- Reclamation will provide weekly email updates to designated PacifiCorp personnel beginning in January as to the likelihood that operations will require access to water stored in PacifiCorp reservoirs. (Note: Natural Resources Conservation Service inflow forecasts, which determine water supply, are released every two weeks beginning in early January.) The email updates will include information pertaining to current UKL elevations and tributary inflows, Upper Klamath Lake inflow forecasts, projected spring

lake elevations, anticipated UKL Supply volumes, and relevant assumptions used in hydrologic models/forecasts. Weekly email updates will occur between the first week in January and the last week in May.

- PacifiCorp will continue to participate in the weekly FASTA calls and information sharing, which help determine whether variances from normal operations are desired (e.g., deviations from the formulaic approach to Environmental Water Account (EWA) distribution, utilization of EWA augmentation volumes available under the Interim Operations Plan, etc.). Please note that redistribution of EWA or utilization of the 40,000 acre-feet of EWA augmentation does not automatically trigger the need to utilize water from PacifiCorp's reservoirs.
- If borrowing of water from PacifiCorp's Project becomes increasingly likely, the communication frequency (whether email, phone calls, or more formal communications) will increase, just as it has in the past for flood control, flushing flows, operation and maintenance activities, utilization of stored water in PacifiCorp's Project, or other variations from normal procedures that affect PacifiCorp operations.
- Once a decision has been made to utilize stored reservoir water, Reclamation will provide PacifiCorp with a formal written request. Reclamation will strive to provide PacifiCorp with as much advance notice as possible, ideally 10 working days' notice. The formal written request will include details of the required volumes and timing of anticipated reservoir withdrawals to the best of Reclamation's knowledge. As with previous deviations from normal operational procedures in recent years, there is the possibility that some variance on short notice may be necessary due to rapidly changing hydrologic conditions or other unexpected events.
- Upon receipt of a request for water, PacifiCorp will review and notify Reclamation as soon as possible, ideally within three business days, if revisions to the proposed operations are necessary or if there are operational reasons that prevent the request from being satisfied.
- Reclamation will continue to coordinate weekly with PacifiCorp during the implementation phase of any water borrowing operation. This coordination will include details of total volume used, current and projected UKL elevations, flow targets downstream of IGD, and changes in inflows or other conditions that would change the borrowing pattern.

Based on hydrologic modeling conducted to evaluate the Interim Operations Plan, Reclamation anticipates that water utilized from PacifiCorp's reservoirs would generally be limited to about 5,000 acre-feet, though hydrologic circumstances in any given year will dictate the volumes requested for utilization. If hydrologic projections demonstrate that volumes greater than 5,000 acre-feet are necessary to maintain UKL elevations above 4,142.0 feet during March, April and May, Reclamation will provide additional advance notice to PacifiCorp (more than two weeks) and discuss the feasibility and any operational constraints associated with utilizing volumes greater than 5,000 acre-feet (as was done in 2018).

In all instances that Reclamation utilizes stored water from PacifiCorp's Project, Reclamation will return the volume utilized in June of each year that borrowing occurred so that reservoir elevations can return to normal operational levels (water surface elevation of up to 2,607.5 feet in Copco Reservoir and 2,327.5 feet in Iron Gate Reservoir) before the July 4th holiday weekend. Reclamation will work out more detailed schedules for payback at the time of borrowing, based

on actual volumes borrowed and existing hydrologic conditions. Reclamation believes that payback of the entire volume utilized in the month of June is achievable under the Interim Operations Plan.

Please confirm PacifiCorp's understanding and agreement to the communications protocols outlined above and please provide further clarification if the proposed approach does not reflect PacifiCorp's understanding and willingness to proceed with the arrangement.

Reclamation appreciates in advance the close coordination and partnership in this very difficult year. If you have any questions, please contact Jared Bottcher of my staff by email at (541) 883-6935 or by email at jbottcher@usbr.gov.

Sincerely,



Jeffrey Nettleton
Area Manager