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*Klamath Falls (OR)* – The Klamath Water Users Association (KWUA) has learned that anti-farm and irrigation interests have obtained a “leaked” draft of a Department of the Interior’s Office of Inspector General (OIG) Report on the audit of the Bureau of Reclamation’s Klamath Basin Water User Mitigation Program (WUMP). The draft OIG Report concludes that there were improprieties in regard to a Cooperative Agreement between Reclamation and the Klamath Water and Power Agency (KWAPA). In general, under the WUMP, farmers who chose to do so entered contracts where they agreed, in exchange for payments, not to irrigate in a season or agreed to use groundwater instead of any surface water supplies from the Klamath system. The draft OIG Report’s allegations state that Reclamation did not have authority to enter into the Cooperative Agreement in question “resulting in \$32.2 million in wasted funds spent by KWAPA under the agreement.” The draft OIG Report unfortunately fails to make clear that no participants in the program did anything wrong or unlawful. The draft OIG Report also incorrectly characterizes that the money spent during the worst three-year drought period on record was “wasted.” It was not.

The leaked report will undoubtedly lead to additional sensational and inaccurate characterizations of events and presumption of wrongdoing from groups long hostile to the farm and ranch families that rely on the Klamath Reclamation Project for their irrigation water supply. These allegations affect the interests and reputation of hard-working families who have done their level best to share water and survive an unprecedented period of drought in the Klamath Basin. The leaked document does not include important information and it also contains flaws and incorrect assumptions. KWUA’s more detailed review of and analysis can be found at [www.kwua.org](http://www.kwua.org).

KWUA’s key findings:

1. A major take-away from the draft OIG Report is that there are apparent **disagreements among attorneys in the Department of the Interior** about whether the program had specific congressional authorization or not.
2. **No farmer did anything wrong.** Participating farmers decided whether they would enter into contracts with KWAPA or not.
3. **The program benefited fish and wildlife.** The draft OIG Report is not correct in saying that the program did not benefit fish and wildlife as authorized under the Fish and Wildlife Coordination Act. In fact, the land that was idled and the groundwater that was substituted for surface water diversions did allow for deliveries of water to the National Wildlife Refuges that have very junior water right priorities, even in drought years. Further, there were other environmental and fish and wildlife benefits that

resulted from this program that were not accounted for in the draft OIG Report, including benefit to species in Upper Klamath Lake and the Klamath River.

4. **KWAPA did everything it was asked to do by Reclamation** in order to properly administer the program.
5. **The program was widely publicized**, and KWAPA conducted all of its meetings in public, with notice to the public.
6. **Oregon water rights are property owned by landowners**, and these water rights are over 100 years old in the Klamath Project. If farmers do not irrigate so that water can be provided to other uses, they are entitled to be compensated for what they have given up. The draft OIG Report makes the claim that Reclamation has no obligation to compensate irrigators for water allocated to endangered species that would otherwise go to irrigation. In fact, this is very much in issue, and costs to the government for involuntarily water reductions might have been much higher than the orderly WUMP process based on voluntary transactions.
7. **The program was consistent with a 2010 settlement agreement** among approximately 40 parties including two states, three tribes, and various conservation groups, which called for exactly this type of program on an interim basis, and encouraged the Department of the Interior to use existing authorities to implement activities supported in the settlement.

The draft OIG Report's allegations against Reclamation regarding the Cooperative Agreement are yet to be resolved. There is well over a decade's worth of precedent authorizing programs such as the one administered by KWAPA. This program and its predecessors may consist of transactions with irrigation parties, but they also benefit fish and wildlife and the public, and are consistent with long-term visions for our Basin. This program has been an important tool for flexible Klamath Project operations that assist communities and the environment in drought years. We look forward to a timely resolution of the issue so that the family farmers and ranchers of the Klamath Project can adequately plan for their future.

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