

plan. In March 2001, Reclamation undertook 1-year pilot programs for demand reduction and groundwater acquisition. In addition, Reclamation is proceeding with separate planning and NEPA documents for several Enhancement Act feasibility studies and activities, such as increasing the water storage capacity of Gerber Reservoir, winter irrigation in the Tule Lake area, and developing off-stream storage in the Lower Klamath Lake area.

Concurrent with the EIS activities described above, severe drought during late 2000 and early 2001 in south-central Oregon and northern California resulted in a critically dry situation in the Project area. The resultant severe inflow shortage to Upper Klamath Lake, coupled with the minimum river flow and lake level requirements of the Service and NMFS final biological opinions issued in early April 2001, brought about Reclamation's decision in the 2001 Annual Operations Plan to curtail most Project water deliveries from the lake in 2001 and reduce Project water deliveries for agriculture and refuges from other Project reservoirs. California developed some groundwater wells in 2001 to help offset the water shortages.

The 2001 Annual Operations Plan and related events substantially delayed Reclamation's progress with the EIS. Specifically, the biological opinions nullified most of the tentative alternatives and rendered successful development of a long-term operations plan and EIS dependent upon actions not within the defined scope of the EIS at that time. Reclamation continues to address the challenge of developing a long-term operations plan that meets obligations to Klamath River and Lost River water irrigators, tribes, and refuges and allows for operation of the Klamath Project in compliance with the Endangered Species Act (ESA).

Project Area Activities

Agricultural water users, tribes, local residents, and many other parties affected by or interested in Project operation have undertaken numerous planning efforts since the summer of 2001. These efforts are attempting to develop a framework or structure of a comprehensive solution to water resource development and use in the Klamath Basin. These efforts have not yet come to fruition but are continuing on many levels, both formally and informally. The results of these efforts could be relevant to and may even influence long-term Project operations. Reclamation is cognizant of the interest and actions of these stakeholders and will consider the results of these other

processes during development of the EIS.

The National Academy of Science's Committee on Endangered and Threatened Fishes in the Klamath River Basin published an interim report in February 2002. This report focused on the 2001 biological opinions. The Committee's key conclusions were as follows:

- Regarding Upper Klamath Lake elevations: "The present scientific record is consistent with use of operational principles in effect between 1990 and 2000."
- Regarding Klamath River flows: "On the whole, there is no convincing scientific justification at present for deviating from flows derived from operational practices in place between 1990 and 2000."

Reclamation views these findings as very relevant, and they will influence development of a long-term operations plan. If the NRC's findings in its final report are different, the later findings will be considered and included in the development of this operations plan.

In early 2002, Reclamation completed a biological assessment (BA) of the effects of proposed Klamath Project operations on federally listed threatened and endangered species for a 10-year period (April 1, 2002, through March 31, 2012). An underlying objective of evaluating a 10-year period is to develop an operation that considers all hydrological conditions during a multiple year period—this is "long-term" operation. Reclamation submitted the final BA to the Service and NMFS in conformance with requirements for formal consultation under ESA.

Consistent with ESA regulations, 50 CFR 402.14(g)(5), Reclamation worked closely with the Service and NMFS to develop reasonable and prudent alternatives for Project operation to avoid jeopardy to the listed species. The Service and NMFS each issued final biological opinions on the proposed action on May 31, 2002, which included those reasonable and prudent alternatives.

The Proposed Action

Reclamation proposes to implement an operations plan through March 2012 that provides for continued operation of the Klamath Project in a way that meets its legal obligations.

Operational Elements

Reclamation is presently operating the Project consistent with the May 2002 biological opinions (opinions) on Project operation issued by the Service and the National Oceanic and Atmospheric Administration (NOAA)

Fisheries (formerly National Marine Fisheries Service). The opinions apply to Project operation through March 31, 2012.

Reclamation has undertaken an operational review of historic and ongoing Project operations to identify significant issues and effects related to those operations. The operational review will help Reclamation identify potential new actions that may be implemented to address the effects of operation and help meet its legal obligations related to Project operation. The operational review and development of an operations plan may result in new Federal actions that could lead to changes in Project operation and/or facilities. While no specific modifications are as yet proposed, Reclamation anticipates that such modifications will be identified and proposed as the operational review proceeds and the operations plan is developed. The operations plan would be an adaptive plan that describes management actions for operation of the Project's features and facilities to meet the defined needs through March 31, 2012. It would describe a process for anticipating and adapting demand for Project water annually during a multiple year period and during different hydrological conditions (ranging from very dry to very wet). It would be subject to revision when necessary (adapt) to address new information or circumstances that have bearing on Project operation and/or Project effects.

The following key elements of an operations plan have been tentatively developed during ESA consultations with the Service and NOAA Fisheries.

- The proposed action would be consistent with historic Project operation from water year 1990 (which began October 1, 1989) through water year 1999 (which ended September 30, 1999).
- The proposed action would include development of annual operating criteria developed consistent with the 2002 biological opinion RPA.
- The proposed action would also include development and use of a "water bank" of up to 100,000 acre-feet annually that would be acquired from several sources. (Began in 2002).
- Continued coordination with the Service, NOAA Fisheries, Klamath Basin Tribes, PacifiCorp, and irrigation districts to coordinate ongoing and anticipated Project operation activities and to discuss water supply conditions.
- Entrainment reduction into the A Canal from Upper Klamath Lake (under construction) and fish passage at Link River Dam.