

Date: 6/20/2013

RE: Testimony for Roger Nicholson in Senate Committee on Energy and Natural Resources Hearing

I am Roger Nicholson. I irrigate in the Wood River valley on a family ranch, which has operated since the 1890's. I am representing irrigators above Upper Klamath Lake. Our umbrella organization, Resource Conservancy, represents the Fort Klamath Critical Habitat irrigators and the Sprague River Water Resource Foundation irrigators.

Resource Conservancy supports the concept of a basin wide settlement agreement. Furthermore, Resource Conservancy appreciates the efforts and time spent in developing the Klamath Basin Restoration Agreement or KBRA.

Unfortunately, the KBRA promotes the taking of large quantities of Upper Klamath Basin water, with no assurances any will be left for our irrigation usage. For this reason, we cannot support the KBRA as written, until such time as equity through water assurances can be provided to all stakeholders.

Resource Conservancy is concerned with the KBRA for the following reasons:

1. It calls for the diminishment of irrigated acreage in the Upper Klamath Basin.
2. It provides no water delivery assurances for the remaining irrigated acreage in the Upper Klamath Basin.
3. It provides for a new environmental water right in the Upper Klamath Lake, which was created from a portion of the Klamath Project waterusers water right. This portion of the waterusers water right has not been used historically. The result is a call on the Upper Basin irrigators to provide water which has been used historically by the Upper Basin irrigators.
4. It also reduces the storage capacity dedicated to the Klamath Project waterusers, thereby making a live flow call on the Upper Basin irrigators more likely to fulfill the storage shortfall.
5. Settlement under the KBRA does not reflect the realities of the Klamath adjudication.

For years there was a balance in water use, providing irrigation water for the Klamath Project waterusers, Upper Basin irrigators and water in the streams for fish habitat and downstream flows. With today's environmental constraints and increased understanding of downstream flow needs, this balance has been upset and there is not enough water to go around. Resource Conservancy recognizes the need for balance in water distribution, and thereby is asking that an equitable portion of the water be provided to the Upper Basin irrigators in the process of achieving this balance under the current operating parameters.

Resource Conservancy supports the KBRA's ecosystem and riparian restoration efforts. We recognize the importance of having a healthy ecosystem and riparian areas not only for fish and wildlife habitat, but also for increased agricultural production. Healthy functioning ecosystems provide for sustainable agriculture, while also creates quality fish and wildlife habitat. As ranchers in the Upper Klamath Basin, we have implemented many river restoration projects, fenced miles of riparian area, provided off-site livestock watering, installed fish screens, and practiced best management practices for grazing and

livestock management. These improvements, over more than the past three decades, have improved water quality, increased stream flows, and decreased sediment and nutrient loading. We look forward to continuing these conservation trends, but need to be economically whole to have the time and financial resources to continue making improvements to our operations and their ecosystems.

As KBRA suggests, all retiring irrigated acreage needs financial compensation while remaining acreages need water delivery assurances. Purchasing priority should be provided to junior water rights. In return, landowners can continue restoration efforts.

Resource Conservancy is very interested in working toward a comprehensive agreement. This comprehensive agreement can be structured such that it will parallel the KBRA and not contradict other parameters and benefits set forth in the KBRA. We appreciate the opportunity to continue settlement discussions, in an amicable arena which will lead to a solution for all parties relying on water and living in Klamath Basin. We would eagerly await the day when water wars and legal processes become a thing of the past and we can move forward to rebuild a productive community.