

BOARD OF DIRECTORS  
ROGUE RIVER VALLEY IRRIGATION DISTRICT

Fellow Water Users:

The end of the 2011 water season is upon us. We hope that every Rogue River Valley Irrigation District patron has had a good season.

Over the past few seasons, the Board of your irrigation district has been faced with many challenges. The biggest challenge has been to keep costs down for all of us water users. Over the last couple of months we have been discussing the 2012 budget for the District and the Board has enlisted the help of some of our fellow water users to come up with a realistic budget. We would like to take this opportunity to thank Jerry May, Orville Eary, and Barry Hoffman for taking the time out of their busy schedules to help us with this difficult process.

We feel it is important for everyone to understand some of the challenges the District faces today. We have discussed this with you in the past, but feel it is imperative that the District patrons understand and are brought up to date on the issues we continue to face.

Most importantly, there are outside interests that want a portion of our water rights. The problem is with where and when these groups might want the water. We have been, and are currently, awaiting a final review by the Federal government on our water operations as a result of the Endangered Species Act (ESA). The irrigation districts in this basin have been involved in the process of this review for about eight years now. We have seen drafts of some documents and have identified what we feel are flaws in the science used in some of them and the lack of good data which cause erroneous assumptions to be made. We also feel there has been a lack of acknowledgement of improvements that have been made to our systems and have been paid for by us, the water users. For example, new fish ladders, new fish screens, etc. We have searched for help with funding in this process but have found little. Jackson County has helped pay for some science because they understand the importance of this issue and the devastating result if this basin loses too much water, but the County's budget problems limit their ability to help. Lawyers and scientists are not cheap, but they are our only tools in fighting this battle. If our farms, orchards and vineyards lose water for only one season, the loss will be felt for many years to come.

Set forth below, is an update provided by the attorney who is representing the Medford Irrigation District, Talent Irrigation District and, of course, the Rogue River Valley Irrigation District in the ongoing ESA Consultation:

**The Consultation which began in 2003 is still ongoing. The objectives of the irrigation districts involved in the Consultation are to protect and sustain the current water supply and rights of the Talent, Medford and Rogue River Valley irrigation districts by providing accurate science to the process based on historically accurate information.**

**All three districts' management, boards and staff, together with legal, scientific and biological teams have attended countless meetings with Federal agencies and their experts**

**to assure that the districts continue to be able to operate and maintain the irrigation district facilities and assets for the primary purpose for which the Talent Division of the Rogue River Basin Project was designed.**

**The Bureau of Reclamation submitted a Supplemental Biological Assessment to the National Oceanic Atmospheric Administration (NOAA) in January 2009. NOAA is now in the process of developing the final Biological Opinion for the Rogue Basin which will likely impose operational changes in water management on the irrigation districts to ensure the continued existence of federally-listed threatened species and their habitat. The exact operational changes are not known at this time, but the districts and their consultants are continuing to be represented at every meeting to give input to Reclamation and NOAA to minimize the impact of any proposed operational changes.**

**The Consultation continues to be very time and resource consuming and expensive for the irrigation districts; however, the crucial concern is that a poorly written Biological Opinion with a finding that the federal project which supplies our water is jeopardizing the continued existence of the species, or is adversely modifying its habitat, could severely hamper the districts' ability to deliver a full water supply to their patrons. The preservation of our water supply is of the utmost importance to the districts, their patrons and communities they serve.**

Your Board at the Rogue River Valley Irrigation District has, and will continue, to stay fully engaged in this process. We continue to see this as one of the largest threats to irrigated agriculture that this basin has seen to date. Inaction is not an option. Issues in the Klamath Basin have and will continue to divide and economically injure Klamath County. On our side of the Cascades, we have witnessed how fast dams and facilities can be removed and there is not much that can be done after the fact. The Endangered Species Act is the law, and we here locally have felt its effects in the past and with this process continue to do so. We feel that the money being spent on science to help protect our resource is saving for the future.

The District has incurred continuing expenses over the last eight years for attorneys, scientists and biological teams to help keep our water resources whole. To date the District has expended approximately \$750,000 to fund this process by deferring resources from other budget areas in an attempt to keep assessments down, but continuing to do so will have a crippling effect on other operational aspects of the District, for example equipment replacement and repair, facilities maintenance and repair, etc.


Current water laws place an equal burden on all of us, the water users and stakeholders in this District. Our irrigation system is getting old and needs improvements. Many of those improvements could be funded by the government if we have a good review by the agencies involved in the basin's assessment. The District needs to look at all possibilities to increase revenue and offset costs. We have looked at the possibility of hydroelectric generation, but we need to know how much water we will have.


Therefore, after a review of our options with our Budget Committee, we have no choice other than to raise our rates in an amount that will pay our legal and scientific costs and to maintain


our current operations and maintenance budget. The Board would like to thank you for your past support and would hope that we can ask for your continued support in these economically challenging times. We all go to the store, the gas station and pay utilities, and understand the additional burden we are creating. We would also hope that other opportunities to increase revenue can come to fruition. For the 2012 water year, Rogue Valley Irrigation District's rates will increase by \$2.75 per acre and an increase in our account fee of \$28.00.

We would ask that anyone who has further questions or issues that relate to how we conduct business, or wonders what other challenges face this District, please come and attend a board meeting. The Board meets the second Tuesday of each month, and we will be happy to discuss and answer your questions.

Sincerely,

  
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Stephen Benston, President

  
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Bryan Baumgartner, Vice President

  
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Richard Dunn, Director

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Rogue River Valley Irrigation District