



**Klamath Mitigation Fund
Frequently Asked Questions**

March 2023

General Overview

1. What is the Klamath Mitigation Fund?

The Klamath Mitigation Fund (Fund) is a voluntary claims-based compensation program related to potential impacts from the removal of the four dams in the Lower Klamath Project: J.C. Boyle, Copco No. 1 and 2, and Iron Gate.

Independent Fund Administrators will evaluate and determine payments to eligible claimants for physical damages demonstrated to be caused by dam removal. Such payments (which will settle claims) will avoid the need for litigation to resolve such damages. In particular, the Fund will provide compensation to eligible property owners for:

- Temporary relocation to ensure safety for individuals with homes and/or underlying lands immediately adjacent to Copco Reservoir in the case of slumping or other instability in the reservoir slope during the period of reservoir drawdown as well as for any damages to homes or underlying lands as a result of slope instability.
- Increased risk of flooding for certain dwellings downstream of Iron Gate dam. Many of these structures are currently within the designated 100-year FEMA floodplain. The settlement will allow homeowners to create or modify berms, raise foundations, or take other actions to mitigate the impact of increased flow elevations during a 100-year flood event. (We expect that 100-year flood elevations will increase up to six to eighteen inches in some locations.)
- Potentially reduced production in groundwater wells that may be hydrologically linked to a reservoir. Wells must be within 1000 feet of Copco Reservoir to be eligible for compensation.

2. Who runs the Fund and makes compensation decisions?

The Fund Administrators are Joan Smith and Monte Mendenhall.

Mrs. Smith is well known in Siskiyou County, having previously served on the Yreka City Council and the Siskiyou County Board of Supervisors. She has also served as Executive Director of the Siskiyou County Farm Bureau, the Klamath Alliance for Resources and

Klamath Mitigation Fund Frequently Asked Questions

Environment, and the Yreka Chamber of Commerce. Additionally, Mrs. Smith has 15 years of experience in corporate banking and finance.

Mr. Mendenhall recently retired from PacifiCorp where he served as the public affairs contact for Siskiyou County. He lived in Siskiyou County for many years and was an established local figure, with a breadth of public-facing experience specific to the project area. He now lives in Southern Oregon.

Both have deep roots in the area and an extensive history of public engagement. Together, they will oversee the Fund and make specific compensation decisions with individual property owners who fit within the Fund criteria. Each property owner will elect whether to enter into a settlement with respect to such claims; the Fund Administrators are available to facilitate this process.

3. What are the responsibilities of the Fund Administrators?

The Fund Administrators will manage the Klamath Mitigation Fund (Fund) and will independently administer the Fund based on criteria established from extensive technical analysis. They will organize information sessions by potential claim (slope stability, flood risk, and groundwater well impacts) to explain the analysis and approach, and ultimately make independent compensation decisions and manage settlements with individual property owners.

They will administer the Fund consistent with eligibility and award criteria stated in a Fund program document.

4. Is the Klamath Mitigation Fund the same as the Local Impact Mitigation Fund that the Klamath River Renewal Corporation has discussed in the past? If so, why the change in the name of the Fund?

Yes, this is the same concept as the Local Impact Mitigation Fund and will serve the same purpose previously shared with property owners.

As the Klamath Mitigation Fund is independently run, the Fund Administrators have chosen the title of the program they will administer.

5. What is the contact information for the Fund?

Email: klamathmitigationfund@gmail.com

Mailing Address:
PO Box 1532
Yreka, CA 96097

You may also find more information on the Fund's website: klamathmitigation.org.

Fund Criteria, Eligibility, and Details

6. What are the Fund criteria and what is the basis for these criteria?

The Fund's eligibility criteria determine which properties are eligible to participate in the Fund. The criteria are based on extensive technical analysis that determined which properties may experience physical impacts as a direct result of the Klamath dam removal project.

The Fund also has criteria for the award amount. In general, the Fund is limited to compensation for physical impacts. It does not cover claims like diminution in property value, loss of view, or loss of reservoir access.

Based on the established criteria, the Fund Administrators will determine any required proof of damage by the property owner and the amount of compensation available for specific physical impacts.

A property owner who reaches agreement with the Klamath Mitigation Fund regarding compensation will sign a written settlement. That will state the amount of compensation and will also waive the property owner's right to litigate the claims addressed by the compensation. Once the settlement is counter-signed, the Fund will write a check providing compensation to the property owner.

7. How much freedom will the Fund Administrators have to make fair decisions?

The Fund Administrators will implement the criteria established for the Klamath Mitigation Fund. These criteria reflect the fact that the Fund consists of public funds provided by the States of California and Oregon. The criteria assure that the Fund will operate in a manner consistent with law, including policies, applicable to use of these public funds.

The Fund Administrators have flexibility to address unforeseen impacts and negotiate on certain claims. For example, if a home needs a flood improvement and there is disagreement about the cost of that improvement, the Fund Administrators will have flexibility with respect to the amount of compensation. They cannot add new categories of eligible impacts or materially deviate from specified criteria, and they cannot administer the Fund in a manner that payments exceed the amount held by the Fund.

8. Will there be public meetings about the Fund?

Yes, the Fund Administrators will hold virtual information sessions by potential claim type (slope stability, flood risk, and well production impacts) to review the Fund criteria before running the Fund.

The Fund Administrators will manage and announce the details of these informational sessions.

Settlements will then occur in private exchanges, virtual or in-person, with individual property owners. Some property owners do not live in the area or prefer to limit in-person contact.

9. How much money is in the Fund? Where does the money come from?

The Fund amount was calculated to address all eligible claims. This amount was arrived at by identifying all potentially eligible properties, along with probable impacts and costs (such as the cost to implement flood mitigation measures on each affected property).

While it will be independently managed and operated by the Fund Administrators, the Fund must be managed in a way that is consistent with applicable law, including the legal requirements for public funding. The Fund utilizes public dollars, including resources from California's 2014 Proposition 1 and funding via the Public Utilities Commission.

10. The Fund states it will compensate for "demonstrated physical impacts." Can I demonstrate an impact in advance of dam removal?

"Demonstrated physical impacts" refers to physical impacts that are caused, or will be potentially caused, by the Klamath dam removal project.

The Fund criteria, and the technical analysis they are based on, determine which physical impacts from dam removal will be included in the Fund and which properties will be eligible for the Fund. Some examples include: if your home is subject to elevated flood risk because of dam removal based on mapping that shows the new expected water line in a 100-year flood event or if a well is identified in an area that may experience a groundwater impact from dam removal. In short, the Fund is compensating for several potential impacts, in advance of dam removal, so that property owners do not have to wait until after dam removal to make preparations.

The Fund will be run prior to dam removal to ensure that the property owners have sufficient time to address foreseeable impacts in advance. Fund criteria will specify the timing of running the Fund by impact (slope stability, flood risk, or well production impacts) and specifically any requirement to demonstrate that physical impacts have actually occurred. There are limited exceptions to the standard practice of offering payment in advance of an actual physical impact to homes and property.

For homes and property in the slope stability category, the impacts will not be known until after reservoir drawdown. Homes in this category will receive compensation based on an observed actual impact following drawdown. However, property owners in the slope stability category will be offered compensation for temporary relocation in

Klamath Mitigation Fund
Frequently Asked Questions

advance of dam removal. This payment will be offered whether or not the property owner chooses to relocate.

As noted earlier, property owners with groundwater wells are being offered a settlement before drawdown based on the assumption that wells might be impacted. The property owners who receive compensation for presumed impacts to groundwater wells are not obligated to return the settlement funds even if, after reservoir drawdown, no impact occurs. However, if a property owner plans to file a claim after drawdown, the well must be monitored six months before and after drawdown and the results of the well monitoring must be provided to the Fund Administrators. Monitoring must utilize specified equipment and protocols and the cost will be borne by the property owner and not the Fund. It is expected that only a small number of wells will actually experience an impact because it is likely that many wells are not hydrologically connected to the reservoir.

11. Why does the Fund only address physical impacts and not economic impacts, such as reduced property values due to the loss of the reservoirs?

The Fund consists of public funds dedicated to the public purpose of the Klamath dam removal project. These funds may not be used to compensate property owners for a real or perceived loss in property value that does not involve physical damages. Therefore, the Fund Administrators will not provide compensation for these nonphysical impacts.

12. How was it determined that eligible property owners compensated for well impacts would need to be located within 1,000 feet of Copco or Iron Gate Reservoirs?

The Fund parameter emanated from the State Water Resources Control Board Water Quality Certification (the 401 permit) (see below):

“To identify groundwater wells, the Licensee shall outreach to all residents and landowners within 1,000 feet of the California Project reservoirs to inquire about their groundwater wells. The outreach effort shall include information regarding the Local Impact Mitigation Fund, including information on any prerequisites to access the fund (e.g., if funding is dependent on participation in the groundwater monitoring effort).”

13. Will other wells located along the Klamath River and within the vicinity of the reservoirs, but outside of the 1,000-foot parameter, be compensated?

No. According to technical experts, properly installed wells located along the river are not expected to experience an impact. Because the river will continue to run before and after dam removal, the water level in the wells should not be affected even if the well is hydrologically connected to the river. The fine sediment released during dam removal

will not make its way through the earth and into a well on the river. The California State Water Resources Control Board concluded that most of the sediment that released will simply move down the river and to the ocean within about 24 months after reservoir drawdown and dam removal. The sediment is predominantly composed of dead algae and fine clay.

14. Is there a deadline to participate in the settlement process?

Yes. There will be a limited amount of time to participate in the process.

The Fund Administrators will set informational sessions by potential impact in March 2023 and begin running the Fund shortly thereafter. There will be a set amount of time for individual property owners to meet and agree to settlements with the Fund Administrators.

The Fund Administrators will be in touch with property owners about their specific potential impact(s) and the timing of running the Fund for that impact.

Others

15. Will my decision and my negotiation remain private?

Participation in the Fund is a confidential process. The Fund Administrators will not disclose who has chosen to settle, or for what amount, and there will be a confidentiality provision within the settlement agreement. If a claimant declines to settle and sues for damages, the existence of the claims process, and the outcome, will be made available to the court or other arbiter.

16. At one time KRRC reached out to homeowners about coming on our property to implement mitigation measures. Is that offer still in effect, or has it been replaced by cash compensation?

Due to feedback from homeowners during prior outreach, the Fund was selected as the best alternative. Providing funds in advance of dam removal also provides homeowners the opportunity to proactively address potential impacts in a manner they see fit. Property owners who settle a claim with the Fund will have the opportunity to make any improvements to address impacts. Neither the Klamath River Renewal Corporation (KRRC) nor any state or federal agency will construct the improvements. Retaining a qualified contractor is highly recommended.

17. What is KRRC's role in the Fund?

Klamath Mitigation Fund Frequently Asked Questions

The Klamath River Renewal Corporation (KRRC) is the owner and co-licensee for the Lower Klamath Project. It has no role in managing individual claims. The Fund Administrators have that role and responsibility. KRRC holds the funds that are available to the Fund Administrators to run the Klamath Mitigation Fund.