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NOTICE OF POTENTIAL TERMINATION EVENT

TO: Parties to the Klamath Hydroelectric Settlement Agreement
FROM: Rob Unruh, President, Klamath Water Users Association
DATE: January 16, 2016

In accordance with section 8.11.3 of the Klamath Hydroelectric Settlement Agreement dated February 18, 2010 (KHSA), Klamath Water Users Association (KWUA) hereby gives notice that it believes a potential termination event has occurred. The potential termination event is that “Authorizing Legislation is not Timely enacted[.]” KHSA, § 8.11.1.A. This Notice gives rise to the meet and confer procedures under section 8.7 of the KHSA. See KHSA, § 8.11.3.A.i.

The Klamath Basin Restoration Agreement (KBRA) has terminated due to lack of federal legislation authorizing the KBRA. The KHSA is not divisible from the KBRA. Among other things, under section 3.3.4.A of the KHSA, the Secretary of the Interior may not make a determination with respect to Facilities Removal unless federal legislation that she judges materially consistent with Appendix E of the KHSA has been enacted. Appendix E of the KHSA states terms for proposed federal legislation with respect to both the KBRA and KHSA. Because the KBRA has terminated, it will be impossible for the Secretary of the Interior to make a determination of any kind with respect to Facilities Removal, and for that reason and others, Authorizing Legislation has not been Timely enacted.

Consistent with section 8.7.2.A of the KHSA, KWUA also hereby schedules a first meeting to confer, for February 3, 2016 from 10:00 a.m. until 4:00 p.m. at 500 Capitol Mall, Suite 1000, Sacramento, CA. A call-in number will be established for Parties who wish to participate by telephone.