

**LAKE COUNTY**

106 4th Ave. E.

Polson, Mt. 59860

September 13, 2023

Brian Lipscomb, Energy Keepers, Inc.  
Chief Executive Officer  
43069 Kerr Dam Road  
Polson, MT. 59860

RE: August 25, 2023, letter to Kimberly Bose

Dear Mr. Lipscomb,

The Lake County Commissioners thank you for including us in the distribution of your letter to Ms. Bose. The Commissioners believe the information included in this letter is necessary to fully understand the cause(s) of the historically low level of Flathead Lake during the summer of 2023.

Whether or not Flathead Lake reached full pool at any time during the summer of 2023 needs to be determined. Eve James, Director of Asset Optimization at Energy Keepers Inc. (EKI), made the comment that full pool was achieved when she testified on July 12, 2023 to members of the Boise Bureau of Reclamation Technical Management Team (TMT) that, "They (EKI) were able to fill Flathead Lake so the Drought Management Plan, (DMP), was never triggered by the Secretary of the Interior and that is the only mechanism in which you can go below the licensed minimum flow. It doesn't apply here." According to that testimony, the DMP in place that allowed for reduced outflows at the Seli's Ksanka Qlispé' (SKQ) Dam could not be implemented once full pool was attained. Additionally, your letter states on page three that Flathead Lake achieved full pool of 2893 (feet) in June of 2023. Information contrary to these claims is found at the Flathead.USLakes.info website. Lake level data on that site indicates that on June 13<sup>th</sup> the lake level peaked at 2,892.69 feet and then proceeded to rapidly fall. By July 4<sup>th</sup> the lake was nearly one foot below full pool at an elevation of 2,891.76 feet. The data indicates that the lake never reached full pool and peaked about four inches below full pool, a level that would have allowed implementation of the DMP. Secondly, if Flathead Lake did not reach full pool, what was its highest level? This is important because Article 44 of the License allows reduction of dam outflow from July 1<sup>st</sup> to September 15<sup>th</sup> to 3,200 cubic feet/second (cfs) or lower, whenever the lake elevation dips below 2,892.7 feet. In summary, due to the lake never reaching full pool and data showing that the lake was below the 2,892.7 foot level all summer, EKI had the option to either: a) implement the DMP; or b) reduce outflow from the dam using provisions outlined in Article 44 of the License. They chose to do neither.

Page six of your letter states, "Beyond boat storage impacts at CSKT owned marinas and some other marinas owned by private parties, or boat storage impacts at some private docks, access to the lake has not been impacted." On the contrary, the County would argue that the negative impacts to businesses, recreation, and public safety due to a lack of lake access has been unprecedented. By the first of August, the majority of boats owned by residents had been removed from lifts and placed on trailers. Numerous boats still remain on lifts, but cannot be removed due to low water and will remain there throughout the winter. A Flathead Beacon article on June 29<sup>th</sup>, 2023 quoted Flathead Harbor owner Joel Eddins in Lakeside as saying, "We already have such a short season to operate in, if I have to start pulling boats in the next week...I'm seeing my season get destroyed." The economic loss to businesses that rely on tourist dollars has been substantial in Lake and Flathead counties and can never be recovered.

An additional safety concern being raised is the lack of access to the lake as an emergency escape route for lakeshore homeowners in case of wildfire. Homeowners living in an area that has only a single



ingress and egress depend upon the lake as a secondary escape route if a wildfire becomes life threatening. That escape route cannot be utilized if their boats are trailered or in storage due to the low lake level. Recent fires in the Finley Point and Elmo/Dayton areas in our County have demonstrated how quickly and destructive these fires can be and the importance of accessing the lake as a lifesaving maneuver. Lake County has produced a short video highlighting this problem that is available at the following link: <https://vimeo.com/861364793?share=copy> or on the County website. Protection of human life must take precedence over water for fisheries and power production in the operational plan for SKQ Dam. This public safety threat cannot be minimized.

Page six of the letter chronicles EKI's distribution of information to the public concerning the lake level. Many of the early media posts led the public to believe that the lake level would drop for a period of time after reaching full pool, but then stabilize. A EKI Facebook post on May 30, 2023, related that the lake might "sag" by almost a full foot through the middle of the summer, but there would be "little to no impact" on summer recreation. In its July 12, 2023 issue, the Valley Journal published an article where the SKQ Dam operators and EKI told the public that the lake elevation would continue to drop until mid-July and then stabilize with the lowest level reaching 1.8 feet or 22 inches below full pool. That information also proved to be false as data shows that on August 29<sup>th</sup> the lake was 2.68 feet or 32 inches below full pool. The only two possible conclusions that can be reached in hindsight is that EKI was attempting to mislead the public into believing the low lake problem was not going to be as bad as people might be anticipating, or dam operators did not have the ability to control the lake level.

The letter mentions a loss in excess of \$18 million to EKI caused by a decrease in the ability to generate and market electricity due to the low lake level. EKI may not be the only entity to experience significant tax losses as lakeshore property values may decrease resulting in reduced tax collections for our County. Property taxes fund most of the County services provided to all citizens; reduction of income lessens our ability to provide those services. Additional revenue losses have occurred in Flathead County as numerous agricultural producers lost access to irrigation water due to the historically low lake level.

The most disconcerting portion of the letter is included in the last paragraph. A portion of that reads as follows: "It is also important to note that EKI does not see WY (Water Year) 2023 conditions as a one-off event. WY 2023 conditions reflect ongoing changing climatic conditions. As EKI continues to adjust to these changing conditions, the maintaining of Lake elevation in the top one foot will not be possible and in fact may result in catastrophic outcomes." EKI would have us believe that five hot days in May of 2023 validates their claim of climate change being responsible for this summer's low lake level and future lake levels well below full pool may become much more frequent. Placing the entire blame for the low lake level on unsubstantiated claims of climate change doesn't encourage, nor help facilitate, any discussion of possible changes in the operation of the SKQ facility to mitigate the year-to-year changes in snowpack, precipitation, temperature fluctuations, etc. Previous owners/operators of the dam facility managed for 80 years to keep the lake level at full pool, or near full pool, until this year and it is apparent that SKQ had options this past summer that might have prevented the unprecedented low lake level. Discussions and potential solutions must be facilitated among all stakeholders as we move into the future. Destructive low Flathead Lake levels do not have to become the "new normal."

Sincerely,

Board of Lake County Commissioners

  
Gale Decker, Chairman

  
Steve Stanley, Member

  
William D. Barron, Member