



SALT RIVER PROJECT
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Representative Paul Gosar
Chair, House Western Caucus
2057 Rayburn House Office Building
Washington, DC. 20515

Dear Chairman Gosar:

The Salt River Project appreciates the opportunity to review the package of bills that would amend the Endangered Species Act of 1973 ("ESA"). Specifically, we are pleased to offer our support for the draft bill titled "STORAGE Act of 2018."

The STORAGE Act of 2018 would amend the ESA to prevent land or other geographic areas within the normal operating range of an existing reservoir or artificial water delivery facility from being included in a critical habitat designation. The draft bill is important because it would provide greater certainty to water and power users and reservoir operators across the U.S. by reducing legal and financial risks associated with ESA compliance.

SRP is a multi-purpose federal reclamation project ("Project") authorized and constructed under the Reclamation Act of 1902. Pursuant to various contracts with the United States, SRP operates the Project works, which include, among other things, seven dams and reservoirs that are fed from the Salt, Verde and East Clear Creek watersheds in central and northern Arizona. Water is stored by SRP in these reservoirs for subsequent delivery to municipal, industrial, and agricultural water rights users through 131 miles of water transmission canals and over 1,200 miles of irrigation laterals. Currently, SRP delivers approximately 800,000 acre-feet of water annually to a 375-square mile service area in central Arizona and is one of the largest raw-water suppliers in the state. In addition, SRP generates and provides electrical power to more than 1 million customers in the Phoenix Metropolitan area and in certain rural areas of the State. This power is generated through water delivery from SRP's dams and reservoirs, as well as coal, natural gas, nuclear and renewable generation facilities, and is transmitted to SRP customers through an interconnected system of transmission and distribution lines and substations.

SRP has over two decades of extensive experience with compliance and implementation of the ESA. The U.S. Fish and Wildlife Service issued two Section 10(a)(1)(b) incidental take permits to SRP in 2003 and 2008 for the implementation of Habitat Conservation Plans to offset impacts to listed species at three of SRP's reservoirs and SRP staff regularly conduct research studies, surveys and monitoring under Section 10(a)(1)(a) permits. Much of SRP's power infrastructure is located on federal lands and is subject to Section 7, which involves coordination with federal agencies to assess and minimize impacts to listed species and critical habitat.

SRP supports the STORAGE Act for the following reasons. The operation of a water storage reservoir, other water diversion, or artificial water delivery structure may routinely result in the periodic creation and destruction of habitat suitable for use by listed species. While potentially usable by the species for a time, the habitat will be periodically destroyed due to prolonged inundation, drought and/or flooding. Therefore, it does not support the biological and physical characteristics necessary for the long-term conservation and recovery purposes of designated critical habitat.

Habitat within the bed of a reservoir is inherently prone to disturbance and destruction, and yet, on multiple occasions in Arizona, such habitat has been proposed for inclusion in critical habitat designations. For example, the U.S. Fish and Wildlife Service has proposed that vegetated areas within the high water mark of a reservoir be designated as critical habitat for listed species, where the vegetation is being periodically created and destroyed as a result of fluctuations in water levels caused by operation of the reservoir. Aside from the questionable conservation and recovery value of these areas to listed species, the potential adverse economic and supply impacts to water and power operations resulting from the designation of these areas as critical habitat may be extreme. The proposed legislation would provide clear direction to U.S. Fish and Wildlife Service that reservoirs shall not be designated as critical habitat, which will substantially reduce the legal and financial risks and regulatory uncertainty for reservoir managers.

SRP looks forward to continued engagement with the Western Caucus and the Arizona Delegation to develop environmental policies based on sound science that protect wildlife and natural resources in a reasonable, consistent and cost-effective manner.

Sincerely,



David C. Roberts
Associate General Manager
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