TESTIMONY OF WILLIAM K. PERRY, BOARD PRESIDENT, CENTRAL ARIZONA WATER CONSERVATION DISTRICT BEFORE THE HOUSE COMMITTEE ON RESOURCES SUBCOMMITTEE ON WATER AND POWER ADDRESSING H.R. 5180, THE LOWER COLORADO RIVER MULTI-SPECIES CONSERVATION PROGRAM ACT

October 10, 2006

The Central Arizona Water Conservation District ("CAWCD") is pleased to present written testimony in support of H.R. 5180, the Lower Colorado River Multi-Species Conservation Program Act.

CAWCD is the Arizona political subdivision responsible for operating the Central Arizona Project ("CAP"). The CAP is a massive water delivery project, a federal Reclamation project, constructed under the authority of the Colorado River Basin Project Act of 1968, to enable Arizona to make full use of its Colorado River entitlement. In 1964, the United States Supreme Court confirmed Arizona's right to 2.8 million acre-feet of Colorado River water annually. Until construction of the CAP, however, Arizona had no practical means of putting its full Colorado River entitlement to use, because it lacked a delivery system capable of transporting water from the Colorado River to the rapidly growing regions of central Arizona.

In a normal water supply year, the CAP will deliver about 1.5 million acre-feet of Colorado River water to the citizens of central and southern Arizona, at the rate of 3,000 cubic feet of water per second, almost two *billion* gallons per day. The CAP is the largest single source of renewable water supplies in the State of Arizona, serving 80 percent of the State's water users and taxpayers, including the Phoenix and Tucson metropolitan areas.

CAWCD strongly supports H.R. 5180 because the bill assures continued compliance by the United States with the requirements of the Lower Colorado River Multi-Species Conservation Program ("MSCP"). That, in turn, provides protection to the non-federal participants in the Program, who, like CAWCD, have agreed to provide substantial amounts of non-federal funds for the conservation of endangered species in return for receiving a permit under the Endangered Species Act for their water and power operations.

The MSCP is a comprehensive, cooperative effort among 50 federal and non-federal entities in Arizona, California and Nevada to protect 26 endangered, threatened and sensitive species on the Lower Colorado River. A decade in the making, the MSCP was approved by the Secretary of the Interior on April 2, 2005.

As the Secretary said in her Record of Decision approving the Program —

"The importance of the Colorado River to the southwestern portion of the United States cannot be overstated: the Colorado is the lifeblood of the southwest. The Colorado River provides water and power to over 20 million people (in such cities as Los Angeles, San Diego, Las Vegas, Phoenix and Tucson), irrigates over 2 million acres, and generates up to 10 billion kilowatt hours of electricity annually."

At the White House Conference on Cooperative Conservation in August 2005, the MSCP was recognized as an "Exemplary Initiative."

The MSCP provides for the creation of over 8,100 acres of riparian, marsh and backwater habitat for the species covered by the Program, and includes plans for the rearing and stocking of over 1.2 million fish to augment populations of two endangered fish covered by the Program. The MSCP also provides for maintenance of existing, high-quality habitat, and a research, monitoring and adaptive management effort to ensure that Program elements are effective in helping covered species.

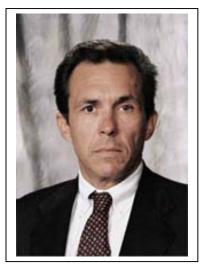
Most important for CAWCD, the MSCP provides the basis for compliance with the requirements of the Endangered Species Act by the federal and non-federal entities involved in on-going and future water and power operations on the Lower Colorado River.

As a condition of federal approval of the Program, the United States required that the non-federal participants agree irrevocably to provide a guaranteed stream of funding for the conservation efforts envisioned by the Program. The total funding requirement is \$626,000,000, indexed for inflation over 50 years. This is split 50-50 between the federal and non-federal participants covered by the Program. The non-federal share of Program costs is further divided among the participants from the Lower Basin States as follows: 50 percent is borne by California participants, 25 percent by Arizona participants and 25 percent by Nevada participants. All of the Arizona participants have made a financial commitment to the Program, but CAWCD has agreed to guarantee payment of Arizona's share of Program costs.

In return for these commitments, the non-federal participants have received a "Section 10" permit under the ESA that provides assurance to entities like CAWCD that their essential water and power operations may continue upon compliance with the Program's requirements. While we do not doubt the sincerity of the current federal commitment to the Program, we feel that it is imperative that that there be an express Congressional authorization of appropriations for the federal share of Program costs and that the Secretary of the Interior be expressly authorized and directed to manage and implement the Program in accordance with the Program Documents. These documents are the agreements and other papers that all of the parties, federal and non-federal alike, have prepared and signed to put the Program into effect.

This is a fifty-year commitment by all of the parties involved. It is essential that that commitment be fully and faithfully met. H.R. 5180 will help ensure that that occurs.

Board of Directors Central Arizona Water Conservation District



William K. Perry
Board President
(Maricopa County)
Term Expires: December 31, 2006

William K. Perry, elected from Maricopa County for a second six-year term in November 2000, currently serves as the President of the CAWCD Board. He served as Secretary from 2001 to 2003, and as Vice President from 2003 to 2005. Mr. Perry is a native Arizonan and has farmed in Arizona since 1974.

In 1974, Mr. Perry received a Bachelor of Science majoring in Agricultural Economics from the University of Arizona and in 1989 he earned a Masters in Business Administration from the University of Phoenix. Since 1975 Mr. Perry has been extensively involved in volunteer, community, and church activities. Mr. Perry served on the Buckeye Irrigation District Board of Directors from 1987 to 1990; served on the Arizona State Legislature Joint Budget Legislative Program Authorization Review Committee in 1998; served on the Liberty Gin Company Board of Directors from 2000 to 2002; served on the Franciscan Renewal Center Board of Directors from 2002 to 2004; and is currently the Vice President of Paloma Irrigation and Drainage District Board of Directors.

Mr. Perry has two adult children.