



September 8, 2016

The Honorable John Barrasso
Chairman
Senate Committee on Indian Affairs
307 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jon Tester
Vice Chairman
Senate Committee on Indian Affairs
311 Hart Senate Office Building
Washington, D.C. 20510-2604

Dear Chairman Barrasso and Vice Chairman Tester:

The Central Arizona Project (CAP) is Arizona's single largest resource for renewable water supplies and delivers approximately 1.5 million acre feet (just less than 500 billion gallons) of Colorado River water to 50 cities and water companies, 11 Indian tribes, and 345,000 irrigated acres in central and southern Arizona.

The Central Arizona Water Conservation District (CAWCD), which manages and operates the CAP, is actively involved in and supportive of the resolution of the water rights claims of all of Arizona's Indian Tribes. Therefore, on June 29, 2016 the CAWCD Board of Directors unanimously voted to support passage of the Hualapai Tribe Water Rights Settlement Act of 2016 and to approve the Hualapai Tribe Water Rights Settlement Agreement.

CAWCD believes that this settlement fully resolves all of the Tribe's claims to the Colorado River, which supplies the CAP, and provides certainty to those water users that are dependent on the CAP for water.

CAWCD appreciates all of your efforts to bring this, and other, Indian water rights settlements to fruition in the United States Senate and looks forward to working with your office.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Cooke", is written over the typed name.

Theodore C. Cooke
General Manager

cc: Bridget Schwartz-Manock, CAP Public Affairs Director



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David C. Roberts
Associate General Manager
Water Resources

September 9, 2016

Honorable John Barrasso, Chairman
Honorable Jon Tester, Vice Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Barasso and Vice Chairman Tester:

My name is David Roberts and I am the Associate General Manager of Water Resources at the Salt River Project ("SRP"), a large multi-purpose federal reclamation project embracing the Phoenix, Arizona metropolitan area. I am writing to express SRP's support for S.3300, the Hualapai Tribe Water Rights Settlement Act of 2016, which authorizes the Hualapai Tribe Water Rights Settlement Agreement among the Hualapai Tribe, the United States and neighboring Arizona water users, including SRP.

SRP has a history of negotiating and settling Indian water rights disputes in Arizona including five settlements that have been approved by Congress. Over the past four decades, SRP has worked with numerous tribes and stakeholders to resolve Indian water rights disputes in a manner that benefits both Indian communities and their non-Indian neighbors. Most important among the benefits is water supply certainty, which is a fundamental outcome of any water rights settlement.

SRP is comprised of the Salt River Valley Water Users' Association ("Association") and the Salt River Project Agricultural Improvement and Power District ("District"). Under contract with the federal government, the Association, a private corporation authorized under the laws of the Territory of Arizona, and the District, a political subdivision of the State of Arizona, provide water from the Salt and Verde Rivers to approximately 250,000 acres of land in the greater Phoenix area. Over the past century, most of these lands have been converted from agricultural to urban uses and now comprise the core of metropolitan Phoenix.

The Association was organized in 1903 by landowners in the Salt River Valley to contract with the federal government for the building of Theodore Roosevelt Dam, located some 80 miles northeast of Phoenix, and other components of the Salt River Federal Reclamation Project. SRP was the first multipurpose project approved under the Reclamation Act of 1902. In exchange for pledging their land as collateral for the federal loans to construct Roosevelt Dam, which loans have long since been fully repaid, landowners in the Salt River Valley received the right to water stored behind the dam.

In 1905, in connection with the formation of the Association, a lawsuit entitled *Hurley v. Abbott, et al.*, was filed in the District Court of the Territory of Arizona. The purpose of this lawsuit was to determine the priority and ownership of water rights in the Salt River Valley and to provide for their orderly administration. The decree entered by Judge Edward Kent in 1910 adjudicated those water rights and, in addition, paved the way for the construction of additional water storage reservoirs by SRP on the Salt and Verde Rivers in Central Arizona.

Today, SRP operates the Project works, which include, among other things, six dams and reservoirs on the Salt and Verde rivers in central Arizona, and one dam and reservoir on East Clear Creek in northern Arizona. Water is stored by SRP in these reservoirs for subsequent delivery to municipal, industrial and agricultural water rights and uses. The watersheds for these dams include part of several national forests. SRP's delivery system in the metropolitan Phoenix area encompasses 1,300 miles of canals, laterals, ditches and pipelines serving cities, Indian communities, irrigation districts, homes and agricultural enterprises. Additionally, SRP operates over 250 deep well pumps to supplement surface water supplies available to the Phoenix area during times of drought.

SRP holds the rights to water stored in the seven Project reservoirs, and to the downstream uses they supply, pursuant to the state law doctrine of prior appropriation, as well as federal law. Much of the water used in the Phoenix metropolitan area is supplied by these reservoirs. SRP also operates one of the nation's largest public power systems, providing electrical power to more than 1,000,000 customers in the Phoenix area, and in certain rural areas of central Arizona.

The Hualapai Tribe's Reservation is located upgradient from and adjacent to the Colorado River, in northwestern Arizona. A portion of the Reservation is located in the extreme upper end of the Verde River watershed, upstream from SRP's Verde River water rights. The United States, acting on behalf of the Tribe, has asserted claims in the pending Gila River Adjudication, to 14,495 acre-feet of water annually from the Verde River watershed.

Over the past four years, SRP and other interested stakeholders have engaged in water rights settlement negotiations with the Hualapai Tribe. With the exception of an exhibit agreement among the United States and Freeport Minerals Corporation ("FMC"), which we understand is still in the process of being negotiated, the terms of the Hualapai Tribe Water Rights Settlement Agreement have been agreed to and finalized. SRP supports the portions of the settlement agreement that have been completed and urges the Senate Indian Affairs Committee to vote in favor of enactment of S. 3300.

The Hualapai Tribe Water Rights Settlement Agreement would, among other matters, permanently resolve the claims of the Tribe and the United States on its behalf to the Verde River watershed, and would do so without impacting SRP's downstream Verde River water rights. The settlement agreement also resolves the claimed rights of the Tribe to the Colorado River, as well as the Bill Williams River, tributaries in the Bill Williams River watershed, and groundwater for the Reservation and tribal trust lands. Finally, the settlement resolves claims by the Tribe to water rights for certain lands held in fee by the Tribe.

Because the Hualapai Tribe Water Rights Settlement Agreement would achieve the important objective of providing certainty to neighboring Arizona water users regarding the extent of the Tribe's water rights, and because we believe its terms are fair and equitable to the Tribe and the other settling parties, SRP supports S. 3300, which would authorize the Tribe, and the United States on its behalf, to enter into the settlement agreement. We appreciate the opportunity to present these views to the Senate Indian Affairs Committee.

Sincerely,



David C. Roberts
Associate General Manager
Water Resources



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

September 12, 2016

Honorable John Barrasso
Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Honorable Jon Tester
Vice-Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Barrasso and Senator Tester:

I am writing to express my support for the Hualapai Tribe Water Rights Settlement Act of 2016, S.3300 ("Act"). The Act authorizes and approves a settlement of the Hualapai Tribe's water rights claims in Arizona. This settlement, referred to as the "Phase 2 settlement," follows a partial settlement of the Hualapai Tribe's water rights claims that was approved by Congress in 2014. The 2014 settlement, or "Phase 1 settlement," was a limited settlement; it settled only the Tribe's claims in the Bill Williams River watershed, and not the Tribe's claims for its main reservation. The Phase 2 settlement is a comprehensive settlement that settles the Tribe's water rights claims for all of its lands in Arizona, including its claims to the Colorado River, which flows adjacent to the Tribe's main reservation.

Resolving the outstanding Indian water rights claims in Arizona through settlement is a strategic water priority for the state. Indian tribes in Arizona have some of the oldest and largest claims to water in the state. Settling these claims not only avoids lengthy and costly litigation, but provides the certainty that is critical to all Arizona water users as they plan for their futures. In addition, settlements typically provide the settling tribe with the infrastructure necessary to deliver the Tribe's water supplies to the areas on the reservation where it is needed.

The Hualapai Tribe Phase 2 settlement is an important step toward achieving the state's goal of resolving all of the outstanding Indian water rights claims in the state. The State of Arizona has worked with the Hualapai Tribe and other water users in the state for several years to reach the settlement. I believe the settlement is fair to all of the parties involved and will benefit all of the citizens of the state. It resolves the Tribe's claims to the Colorado River, which is of high importance to the state, and provides the Tribe with an allocation of Central Arizona Project water from the river and the infrastructure to bring the water to those areas on the reservation where it is needed, both for basic household services and for economic development.

Honorable John Barrasso
Honorable Jon Tester
September 12, 2016
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I would like to thank Senator McCain and Senator Flake for introducing this important legislation in Congress, and I thank the Committee on Indian Affairs for considering it.

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive, flowing style.

Douglas A. Ducey
Governor
State of Arizona

cc: Arizona Congressional Delegation

Phoenix Corporate Office
333 N. Central Ave
Phoenix, AZ 85004

Francis R. McAllister, Jr.
Vice President, Land and Water
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September 13, 2016

The Honorable John Barrasso
Chairman
Senate Committee on Indian Affairs
307 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jon Tester
Vice Chairman
Senate Committee on Indian Affairs
311 Hart Senate Office Building
Washington, D.C. 20510-2604

RE: The Hualapai Tribe Water Rights Settlement Act

Dear Chairman Barrasso and Vice Chairman Tester:

On behalf of Freeport Minerals Corporation (Freeport), I am writing to express support for the current version of [S.3300](#), The Hualapai Tribe Water Rights Settlement Act. Freeport is primarily a copper, gold and molybdenum mining company, based in Phoenix, Arizona, with several mines located throughout the Southwest in Arizona, Colorado and New Mexico. Our interest in this legislation is specifically related to our Bagdad Mine in Northwestern Arizona.

Freeport has been cooperatively working with the Hualapai Tribe in the achievement of their settlement for many years. We were an active participant in the Bill Williams River Water Rights Settlement Act of 2014. Freeport's role in the prior Act helped set the stage for this comprehensive settlement. Specifically, Freeport provided a non-federal contribution of \$1,000,000 to the Tribe to develop the necessary professional studies to identify the most appropriate alternative for delivery of Colorado River water directly to the Reservation. Secondly, Freeport also provided a non-federal contribution to the Tribe in the form of an Economic Development Fund that will enable the Tribe to seek the purchase of lands and water rights in Arizona along the Colorado River. These two contributions by Freeport also count as non-federal contributions to the final comprehensive Colorado River water rights settlement the Tribe has negotiated with federal and state parties. Without these substantial non-federal contributions, this comprehensive settlement of the Tribe's claims could be significantly delayed or could come at a higher cost to federal taxpayers.

The need to protect and ensure a long-term sustainable water supply for the Bagdad Mine is the basis for Freeport's involvement in the water rights settlement. However, and just as important, because Freeport shares the water resources in the Bill Williams Watershed with the

Hualapai Tribe, it was important to reach agreement with the Tribe to cooperatively and sustainably share this valuable resource. We have and continue to view the Hualapai Tribe and the United States as long-term partners and believe that this Settlement is vital for economic viability in the region.

The Hualapai Tribe plays an important role in the economic viability of Mohave County in Arizona. The Tribe has been attempting to proactively develop its resources on the Reservation to provide important jobs and homes for Tribal members as well as the development of a tourist destination in Northwestern Arizona. Securing the necessary water rights for the Tribe is important in achieving its goals of achieving full employment for Tribal members and economic self-sufficiency. Freeport believes that this settlement fully resolves all of the Tribe's claims to the Colorado River and provides certainty for other water users in the region. For these reasons Freeport strongly supports passage of S. 3300 in its current form.

Finally, I would like to conclude by expressing my gratitude to Senator Flake and Senator McCain for co-sponsoring S. 3300 and for their continued support in Arizona's water future. Also, I would like to thank both of you for scheduling a hearing to consider this important piece of legislation and greatly appreciate the work Committee staff has devoted to moving this bill forward.

Sincerely,



Francis R. McAllister
Vice President, Land & Water
Freeport Minerals Corporation

cc: The Honorable Senator John McCain
The Honorable Senator Jeff Flake