

**DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS**

PREPARED STATEMENT

OF

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BEFORE

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UNITED STATES HOUSE OF REPRESENTATIVES**

ON

***“Missouri River Management:
Does It Meet the Needs of Small Business?”***

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Mr. Chairman and Members of the Committee, I am Jody Farhat, Chief of the Missouri River Basin Water Management Division of the Northwestern Division of the U.S. Army Corps of Engineers (Corps). I am pleased to be here today to discuss our roles, responsibilities, and efforts on managing the Missouri River Mainstem Reservoir System and on the importance of the river to small businesses and rural communities.

Over the past several years, the Missouri River basin has experienced a wide range of climatic conditions, from the record runoff in the upper basin in 2011, to flash drought in 2012. Although a drought still affects much of the basin, conditions have improved during the spring and summer of 2013, but reservoir levels behind the large upper three dams remain drawn down: Fort Peck is currently drawn down over 8 feet; Garrison, over 2 feet; and, Oahe over 5 feet. Currently, all authorized purposes for the System are being served at reduced levels except for flood control, which is enhanced when reservoir levels decline due to drought.

The Missouri River Mainstem Reservoir System is comprised of six dam and reservoir projects; hydroelectric power plants; levees (both federal and non-federal); and a 735-mile navigation channel extending from Sioux City, Iowa to the mouth near St. Louis, Missouri. The Corps is charged with responsibly managing this complex and extensive system for eight authorized purposes: flood control, navigation, irrigation, hydropower, water quality control, water supply, recreation, and fish and wildlife enhancement. In addition, operation of the System must also comply with other applicable federal statutory and regulatory requirements, including the Endangered Species Act. All of the citizens we serve in the Missouri River Basin benefit in one or more ways from this system.

Cycles of flooding and severe drought have always been a major part of the Missouri River Basin hydrology. The six Corps dams on the mainstem of the Missouri River form the largest system of reservoirs in the United States. The reservoirs are designed to capture and store mountain snowpack, plains snowpack, and rainfall runoff from the upper Missouri River Basin in the spring of the year providing flood protection for over two million acres of land in the floodplain. Water stored in the reservoirs is then utilized during the remainder of the year to serve the other seven authorized purposes. The bank stabilization and navigation project along the lower Missouri River downstream of Ponca State Park, Nebraska keeps the channel from meandering and make it more reliable for navigation. For example, an extensive system of levees (mostly non-federal) has been constructed from Omaha, Nebraska to St. Louis, Missouri, with levees on one or both banks for nearly the entire reach. These levees provide a measure of flood risk reduction to the adjoining developed land and nearby structures.

The Missouri River Master Water Control Manual (Master Manual) is the guide used by the Corps to regulate the six dams on the mainstem of the Missouri River: Fort Peck, Garrison, Oahe, Big Bend, Fort Randall, and Gavins Point. First published in 1960 and subsequently revised during the 1970s, the Master Manual was revised in March 2004 to include more stringent drought conservation measures, and again in

2006 to include technical criteria for a spring pulse from Gavins Point Dam for the benefit of the endangered pallid sturgeon. Neither the 2004 nor the 2006 revisions to the Master Manual changed the volume of storage in the system reserved for flood risk reduction or the manner in which that storage is regulated. The Corps does not store water in the reservoirs specifically for the endangered and threatened species and the Master Manual storage allocations were not altered to facilitate the spring pulses.

The construction and operation of the six mainstem reservoirs and other features of the System, along with the presence of federal and non-federal levees and other measures by local interests, reduced the extent the natural floodplain and altered its ecosystem. Current regulation of the System in accordance with the Master Manual to serve authorized project purposes is dependent on successful implementation of the US Fish and Wildlife Service's 2003 Amended Biological Opinion, or BiOp. Implementation of the BiOp is accomplished through the Missouri River Recovery Program which includes the following elements: habitat construction including emergent sandbar habitat and shallow water habitat, flow modifications, propagation/hatchery support, research, monitoring and evaluation, and adaptive management. Stakeholder participation in the Missouri River Recovery Program is essential in order to ensure that public values are incorporated into the decision process. To that end, the Missouri River Recovery Implementation Committee has been established in accordance with Section 5018 of WRDA 2007 and is comprised of diverse group of advisory stakeholders.

The Corps also considers input from affected interests and other agencies when making water management decisions to best serve the authorized project purposes. An annual operating plan, or AOP, is prepared each year, based on the water control criteria contained in the Master Manual, in order to describe potential reservoir regulation of the System for the current operating year under a variety of water supply conditions. Following the release of the draft AOP each fall, public meetings are held throughout the basin to review the plan, take comments and answer questions. Attendees at our public meetings include state, Tribal and local government officials, interested citizens, and a variety of small business including farmers, marina operators, navigators and more. After taking into consideration comments received on the draft, the final annual operating plan is released, generally in December.

Communication with affected stakeholders continues throughout the year via press releases, monthly basin update calls, information sharing through our website, and meetings with various stakeholders and interest groups at their request.

The Corps strongly supports small businesses in the work we do on the river, both for repair and maintenance of the Corps facilities, including the work that was done following the record 2011 flood, and construction activities required by the Missouri River Recovery Program.

For example, maintenance work and repair of the Bank Stabilization and Navigation Project is often contracted out to local small businesses. Even when the Corps does this work in-house using our hired labor crews, a mix of large and small businesses are

still needed to provide material, equipment and fuel. Most if not all the funding for the operation and maintenance of the Bank Stabilization and Navigation Project thus finds its way back to the local economies. Because the greatest portion of this work and our offices are in rural areas, small businesses benefit.

Completed and ongoing projects within the Missouri River Levee System have been awarded to small businesses.

As we develop Missouri River Recovery projects, we coordinate with land owners and levee districts upstream, downstream and on the opposite bank from the proposed project to ensure we understand their concerns and requirements. It is important to note that Missouri River Recovery projects are designed and constructed consistent with other uses of the river such as navigation or flood control. Many of these projects are built by small businesses.

We recognize that the operation of the Missouri River Mainstem Reservoir System impacts the lives and livelihoods of those who work and live along the river. We remain committed to operating the Mainstem System to serve the authorized project purposes, in a way that balances the competing needs of the Basin, and to meet our responsibilities to federally recognized Tribes and comply with environmental laws including the Endangered Species Act. We will continue to work closely with you and all the Missouri River Basin stakeholders in that effort.

We appreciate having the opportunity to be here today, and I look forward to hearing the testimony from small business leaders, and any ideas they may have to improve our service to the citizens of the Missouri River Basin.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions you or the Members of the Committee might have.