

**TESTIMONY OF
SHARON BLACKWELL
ACTING DEPUTY COMMISSIONER OF INDIAN AFFAIRS
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
AT THE HEARING BEFORE
THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
SUBCOMMITTEE ON WATER AND POWER
ON THE
BUREAU OF INDIAN AFFAIRS
OPERATION OF THE FLATHEAD IRRIGATION PROJECT IN MONTANA**

May 17, 2000

Good afternoon, Mr. Chairman and Members of the Subcommittee. My name is Sharon Blackwell and I am the Acting Deputy Commissioner of Indian Affairs for the Bureau of Indian Affairs (BIA) at the Department of the Interior. I am pleased to provide you with a brief overview of the BIA's operation of the Flathead Irrigation Project (Project) located in northwestern Montana on the Flathead Indian Reservation (Reservation).

BACKGROUND

The Project was originally authorized in 1904 to provide irrigation water for "the benefit of Indians" on the Flathead Indian Reservation. In 1908, the Project was authorized to also serve non-Indians who had started to homestead on unallotted lands within the Reservation. In 1926, a power division was authorized in addition to the irrigation division within the Project. Because the fee land owners had not been repaying the construction debt, in 1948 Congress directed that net power revenues be used to pay that debt. As a result of the power revenue subsidy, the irrigators have not had to pay the irrigation construction debt to date. The current unpaid construction debt of approximately \$3.4 million is projected to be paid off by these power revenues in 2038. It is also significant to note that 53 percent of the irrigated lands are tracts under 40 acres in size.

THE PROJECT

The BIA serves approximately 1,700 irrigators, providing water to over 127,000 acres. Included in the Project are seventeen reservoirs, over 1,300 miles of carriage system, and over 10,000 structures for diversion and control of the water supply. The irrigation system is divided into five subdivisions, or camps, for management purposes. They are (1) Camas, serving the communities of Lonepine and Hot Springs, (2) Mission, serving the community of St. Ignatius, (3) Jocko, serving the communities of Arlee and Dixon, (4) Post, serving the communities of Charlo and Moise, and (5) Pablo, serving the communities of Pablo, Ronan, and Polson.

Since 1988, the Confederated Salish and Kootenai Tribes have operated the power division under a contract with the BIA pursuant to the Indian Self-Determination and Education Assistance Act (Public Law 93-638). Accordingly, the Tribes are responsible for operating and maintaining the

approximately 1,473 miles of distribution lines, 172 miles of high voltage transmission lines, and 20 substations, serving approximately 23,000 people on the Reservation. In recognition of the Tribes' success in operating and managing the power division, the federal government renewed, for an indefinite term, the Public Law 93-638 contract on October 1, 1991.

ACCOMPLISHMENTS

From 1992 to 1998, BIA has invested some \$1.9 million in rehabilitation and betterment projects at the Flathead Irrigation Project, of which \$1.5 million has come directly from the operations and maintenance budget. Another \$20 million has been expended to rehabilitate Project dams through our Safety of Dams Program. The BIA continues to identify and plan for rehabilitation and betterment activities that will improve operations and reliability. A few examples of the BIA's accomplishments are as follows:

- * The BIA replaced the Jocko R Siphon in 1993 at a cost of \$91,000. This siphon was originally a wood stave above ground and exposed to the elements. It was buried and replaced with reinforced concrete.
- * The BIA began rehabilitating and upgrading the wiring, pumps and motors at the Flathead River Pumping Plant in 1993. This is an ongoing effort with over \$100,000 spent to date; more work is scheduled to complete the renovation to improve the reliability and efficiency of the pumps.
- * The BIA replaced 6100 feet of the wooden Post A Siphon in 1996 at a total cost of \$293,000.
- * The BIA replaced the Camas Three Bridges wooden headgate structure with a concrete structure in 1997 at a cost of \$61,500.
- * The BIA has invested over \$20 million for rehabilitation on the dam structures for the project storage system as part of the BIA's and Department's Safety of Dams Program. Additional rehabilitation needs have been identified and projected to be accomplished in future years.

While making these improvements, the BIA has been able to keep its Project operations very cost-efficient. Since the BIA assumed management from the Bureau of Reclamation in 1993, the assessment rates have had to increase only twelve percent and have remained at \$19.95 per acre since 1998. Chart A shows the history of the irrigation assessment rates going back to 1992, when the BIA's assessment was \$17.80 per acre.

CONCLUSION

Efficient management of BIA irrigation operations continues to be a formidable challenge. For the most part, BIA systems like Flathead are antiquated, ongoing maintenance and repair, and periodic replacement of equipment and structures. At Flathead, we have been able to avoid the need for special assessments to meet these daily challenges. This concludes my statement and I would be happy to answer any questions you may have.

Chart A

Flathead Irrigation Project

Assessment Rate History

Year	Rate/Acre	Increase	CPI
1993	\$17.80	0	3.0
1994	\$18.45	3.7%	2.6
1995	\$18.45	0%	2.8
1996	\$18.45	0%	3.0
1997	\$18.45	0%	2.3
1998	\$19.95	8.1%	1.6
1999	\$19.95	0%	2.2
2000	\$19.95	0%	n/a
Total Increase	\$2.15	12.1%	18.8%