

**FY 2025 TESTIMONY OF ASHLEIGH WEEKS, PROJECT MANAGER
ASSINIBOINE AND SIOUX RURAL WATER SUPPLY SYSTEM
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
APPROPRIATIONS SUBCOMMITTEE**

FORT PECK RESERVATION RURAL WATER SYSTEM (\$5,248,000)

The Assiniboine and Sioux Rural Water Supply System (ASRWSS) submits this testimony in support of \$5,248,000 in funding for continued Operations, Maintenance, and Replacement (OMR) of part of the Fort Peck Reservation Rural Water System as authorized by PL 106-382. The request consists of an increase of \$1,803,000 above the FY 2023/24 levels of funding as follows:

- \$750,000 to recover under-funding for FY 2024,
- \$750,000 in FY 2025 to maintain last year's base, and a
- \$303,000 in increases between FY 2024 and FY 2025 for inflationary and other increases.

The is request for \$1,803,000 above the FY 2023 and FY 2024 level of funding at \$3,445,000 in both years.

ASRWSS is the tribally chartered entity charged with the planning, design, construction, operation, maintenance and replacement (OMR) of the Assiniboine and Sioux Rural Water Supply System, which is the part of the Fort Peck Reservation Rural Water System on the Fort Peck Indian Reservation. We are strong partners with Dry Prairie Rural Water System (DPRWS), which operates the part of the Project that is off the Reservation.

The most basic of governmental functions is the delivery of clean, safe, and reliable drinking water. We are honored to provide water and service in northeastern Montana to an area of 7,750 square miles connected by 3,200 miles of pipeline when completed in 2025. Obligation of all construction funding was concluded in FY 2023. The project provides drinking water to an area larger than New Jersey and just smaller than Massachusetts.

The United States has invested \$370 million in construction of ASRWSS and DPRWS through FY 2023 and will invest another \$10 million as the project is completed. OMR funding is essential to the upkeep of this substantial federal investment.

The FY 2024 BIA Green Book intended to add \$750,000 to the FY 2023 funding in FY 2024 (see p. IA-CON-OTH-2), but conflicting tables in the Green Book requested only a minimal increase of \$32,000 above the FY 2023 level. The FY 2024 Explanatory Statement that "*...funding at the fiscal year 2023 enacted level for the project at Fort Peck...*" was likely based on the conflicting, unintended, virtually zero increase. BIA's \$750,000 increase above the FY 2023 level of funding was intended to result in a budget of \$4.205 million for FY 2024.

The ASRWSS FY 2024 request of the House and Senate subcommittees was for \$4.204 million in appropriations for the Bureau of Indian Affairs (BIA) Construction account (\$772,000 above the FY 2023 funding of \$3,445,000). The increase was an increase over FY 2023 and was due primarily to the significant inflation between 2021 and 2023. The following factors were

listed in our FY 2024 testimony as supported by actual cost increases:

- i) inflation for all OMR items, particularly
 - (1) chemicals
 - (2) fuel
 - (3) power and heating
 - (4) asset replacement

- ii) continuing construction to advance service to more users on the
 - (1) west side of the Fort Peck Indian Reservation
 - (2) Scobey area of Dry Prairie

- iii) increase in production of water at treatment plant from 0.795 billion gallons in 2018 to 1.112 billion gallons in 2022.

The annual increase in costs between FY 2024 and FY 2025 (not counting the 2 years of \$750,000 needed) of \$303,000 is due primarily to inflation. Water treatment production was basically the same in FY 2022 and FY 2023 at 1.2 billion gallons, and we do not expect more than a 10% significant increase in FY 2025, barring severe drought. Chemical costs between FY 2022 and FY 2023 increased from \$608,000 to \$796,000 and account for most of the additional \$303,000 requested. Our power bills primarily for treating and pumping water throughout the project increased from \$379,000 to \$420,000. Both the chemicals and the power costs are dependent on the gallons of water produced. ASRWSS currently employs highly qualified and capable personnel that manage, operate, and maintain the system. Two more employees are needed to fill vacant points at a cost of about \$150,000 for salaries, benefits, and payroll taxes or \$75,000 each.

ASRWSS continues to advance construction on the west side of the Fort Peck Indian Reservation, which will be completed in 2025 and will finish all ASRWSS construction. Dry Prairie is advancing on its remaining areas of construction north and west of the Reservation and will complete all construction in 2026.

The funding request of \$5,248,000 is necessary to:

- i) safely operate, maintain, repair and replace system features,
- ii) employ the necessary level of qualified and certified staff
- iii) purchase chemicals for treatment
- iv) purchase power for pumping and treatment facilities.

The Congress (Energy and Water Subcommittee) will have appropriated \$380 million to complete the project through FY 2026. The ASRWSS/DPRWS projects are 98% complete, and full funding has been made available to complete the project in FY 2025. It is imperative, through Interior appropriations (and a DPRWS non-federal cost share), that ASRWSS maintain, and replace the investment of Congress in the ASRWSS infrastructure valued at \$236 million and held in trust by the United States on behalf of the Tribes.

The DPRWS cost share covers the OMR cost of their use common facilities as agreed upon between ASRWSS, DPRWS and the Secretary in a Water Service Agreement. DPRWS

makes monthly payments on a timely basis. DPRWS will provide an estimated \$789,000 in FY 2025 to supplement appropriations.

ASRWSS provided drinking water to more than 17,400 residents in Northeast Montana in 2023. In 2026 when construction is completed in ASRWSS and DPRWS, over 19,300 residents will be served. Ultimately, 31,000 residents will be served as the population of the region grows over the next several decades.

The population served at the end of 2016 was less than 10,000, and OMR funding needs have been increasing accordingly. The project also serves social and governmental agencies, including the BIA Agency Office, schools, clinics, hospitals, Medicine Lake National Wildlife Refuge, Fort Union Trading Post National Historic site, U.S.- Canadian border stations, and the towns of Poplar, Wolf Point, Frazer, Culbertson, Medicine Lake, Scobey, Nashua, St. Marie, Fort Kipp, and Brockton. Opheim and will be served in 2024. The small Reservation communities of Reserve and Lustre were added in 2022.

The Fort Peck Reservation Rural Water System was authorized by the Fort Peck Reservation Rural Water System Act of 2000, Pub. L. 106-382. The enactment ensured a safe, adequate, and reliable municipal, rural and industrial water supply for the residents of the Fort Peck Indian Reservation and the residents of Roosevelt, Sheridan, Daniels, and Valley Counties outside the Reservation. As noted in the President's previous budget requests: "*Groundwater from shallow alluvial aquifers ... for the municipal systems . . . is generally poor with concentrations of iron, manganese, sodium, sulfates, bicarbonates and total dissolved solids above recommended standards.*" This project provides a perpetual remedy to historic water quality issues that impaired health and stunted economic growth.

The Project called for the construction of a single treatment plant on the Missouri River near Wolf Point, Montana, that will distribute water through 3,200 miles of pipeline to both the Reservation Tribal system and through three completed and operational interconnections to DPRWS. A single water source on the Missouri River replaced nearly two dozen individual community water sources and ensured a clean, plentiful, and safe water supply.

The Federal legislation authorizing the Fort Peck Reservation Rural Water System requires that the OMR costs of ASRWSS, held in trust by the United States, are fully funded. Interior appropriations to BIA are the federal source of OMR funding. This is consistent with the federal trust responsibility to the Tribes who were promised a permanent home when the Assiniboine and Sioux Tribes agreed to move to the Reservation. A permanent home requires safe drinking water. The funding request enables ASRWSS to deliver superior drinking water, meeting all federal and state standards, to all the people, towns, and federal, tribal, state, public and private agencies, and businesses.

Thus, the \$5,248,000 requested in FY 2025 for the OMR of this vital infrastructure project is critical. The increased funding of \$1,803,000 over the FY 2024 level for the OMR of the Project is needed as the Project buildout increases the service population and requires additional personnel, power, chemicals, repairs, replacements, and improvements to operate the water treatment plant and other facilities.

We thank the Subcommittee for the continued support of OMR funding for ASRWSS as authorized by PL 106-382.