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**Testimony
Before the Committee on Resources
United States House of Representatives**

**Hearing on
"Maintaining and Upgrading the Bureau of
Reclamation's Facilities to Improve Power
Generation, Enhance Water Supply and
Keep Our Homeland Secure"**

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Hello, Mr. Chairman and distinguished Sub committee members.

My name is Randy Reed. I am the Co-Chair of the St. Mary Rehabilitation Working Group with Montana Lt. Governor John Bohlinger. I began farming and ranching in 1984 after graduating from Montana State University with an Agricultural Business Degree

I would like to thank the Committee for asking me to provide testimony concerning the critical issue of the Bureau of Reclamation's aging infrastructure; ways the Federal agency can address this issue and the role of stakeholders. The example I bring to the committee is the Milk River Project and the associated St. Mary Diversion Works.

My great grandfather homesteaded in the Milk River Valley and was among the founders supporting the construction of the Milk River Project at the turn of the 20th century. Irrigation allowed my great grandfather to settle in Northern Montana and endure. Today, my family benefits from these same water resource facilities and we are able to raise irrigated certified seed potatoes, alfalfa hay and malt barley. We also rely on the project for our drinking water and enjoy the many recreational opportunities supported by the water system.

In 1903, the Milk River Project was authorized. In 1905, construction of the St. Mary Diversion Works was authorized to provide supplemental water to the Milk River Project. Construction of the system canal, siphons, drop structures, and diversion dam began in 1906 and was completed in 1915. Today this century old infrastructure has exceeded its useful life with little time left before a catastrophic failure occurs. A failure of this infrastructure will cause an environmental, economic and social catastrophe in the U.S. and set the stage for an international confrontation with Canada.

As originally authorized, the St. Mary Diversion Works are operated for the single purpose of irrigation. As such, over the last 90 years, nearly 100% of the cost to operate and maintain the diversion infrastructure has been borne by irrigators within the irrigation districts holding water delivery contracts. Maintenance needs have escalated with the accelerating deterioration of the aging facilities. Reclamation acknowledges the fact that irrigator's alone are not able to repair these structures. Yet the agency seems unable to act.

The State of Montana has already authorized \$10 million in non-federal cost share for this project. We have organized the stakeholders; we have raised a significant amount of local money for the project. Now we need the active cooperation and participation of the Bureau of Reclamation. We have tried to constructively engage Reclamation in this project and have been repeatedly told that there is nothing the agency can do under the current authorization.

Through Reclamation's inaction, the federal government is also missing opportunities to protect the environment and improve the economic potential of the Milk River Project and many other Reclamation projects in the West. For example, protect and enhance

local fisheries and potentially provide hydropower development opportunities to the Blackfeet Tribe.

One step Reclamation can take right now to assist local stakeholders is to release and implement the results of a “current use benefits study” the agency started in 2004. Milk River irrigator’s paid Reclamation \$60,000 for this study, but the agency will not release the results. I believe the implementation of this study will provide Milk River Basin irrigators with the financial capacity to participate in a cost-share for the rehabilitation of the project.

I believe Reclamation can also provide valuable assistance by helping local stakeholders reauthorize both the Milk River Project and St. Mary Diversion Works. The revised authorization should reflect the 21st century by accurately defining the current project benefits. The revised authorization must also establish multiuse, a reasonable cost share, and provide a viable means for repayment of appropriate reimbursable costs.

My family’s future, the future of the Milk River basin’s economy, a significant part of Montana’s economy, and the farm-based economies of many Western states are in jeopardy. Does the United States close the book on 100 years of history and investment or do we reinvest in our country’s future? Can we afford to ignore the condition of critical water resource infrastructure and allow them to fail because competing demands on Federal funds or do we find a way to act? I ask this committee’s support for this critical investment in the future of the Milk River Project and St. Mary Diversion Works and investment in all the critical water resource projects in the West.

Again, I appreciate this opportunity to testify.

Supplemental Written Testimony

Background

A century ago, local and national leaders developed a vision to build an economy along the Hi-Line of Montana. On March 14, 1903, Secretary of Interior Ethan Allen Hitchcock authorized construction of the Milk River Project as one of the first five reclamation projects built by the newly created Reclamation Service (now Bureau of Reclamation) under the Reclamation Act of 1902. The Project's objective was to provide a stable source of water for irrigation of the lower Milk River valley. A key component of the Milk River Project included a plan to supply supplemental irrigation water by diverting water from the St. Mary River to the Milk River. In 1905, Secretary Hitchcock authorized construction of the St. Mary Diversion Facilities (Figure 1).

On average, the St. Mary Diversion Facilities divert approximately 160,000 acre-feet of water per year from the St. Mary River Basin to the Milk River Basin where it supports irrigated agriculture, communities and businesses, a National Wildlife Refuge, fish and wildlife, and recreational opportunities in north-central Montana's Hi-line region (Figure 2). However, after a century of use the infrastructure that supports this vibrant regional economy is failing. Engineering investigations and frequent shutdowns indicate the real possibility of catastrophic failure. Sudden failure of the St. Mary Diversion Facilities could result in environmental damage on the Blackfeet Reservation, economically devastate communities and businesses along the Hi-Line, and likely have economic repercussions across the state and set the stage for an international confrontation with Canada.

Replacement of major structures and rehabilitation of the canal appears to be the solution; but engineering investigations must be finalized, a preferred alternative must be identified, environmental impacts must be addressed, methods to provide additional benefits must be developed, and, of critical importance, an acceptable cost share must be negotiated.

Uniqueness of the St. Mary Diversion Facilities

In addition to being one of the first five reclamation projects built by the U.S. Bureau of Reclamation, the St. Mary Diversion Facilities have a unique role in federal government's relationship with Canada and two Native American Nations.

The waters of the St. Mary and Milk rivers are an international resource shared by the United States and Canada. Construction of the Milk River Project and the St. Mary Diversion Facilities led to an escalating war of words between the two countries over the right to use water from these two rivers. American and Canadian actions and reactions finally brought the U.S. and Canada together to negotiate. The Boundary Water Treaty of 1909 was the result. Article VI of the treaty expressly provides for apportionment of the St. Mary and Milk Rivers. Failure of the St. Mary Diversion Facilities would prevent the United States from receiving the benefits of the St. Mary River they are entitled to under the 1909 Treaty.

The St. Mary Diversion Facilities are located entirely on the Blackfeet Reservation in Glacier County, Montana. The Blackfeet have received no benefit from waters diverted across their lands. The State of Montana, the Blackfeet Tribe, and the Federal Government are currently in negotiations

for a reserved water rights compact that will include Blackfeet claims for water from the St. Mary and Milk Rivers. Rehabilitation of the St. Mary Diversion Facilities affords potential benefits to the negotiation of this compact.

Operation of the St. Mary Diversion Facilities has had a series of negative environmental impacts on the Blackfeet Reservation. Operation of the system has led to flooding and erosion below the confluence of Swiftcurrent and Boulder Creeks, and is having a negative impact on Blackfeet Tribal fishery resources including the bull trout, which is listed as a threatened species under the Endangered Species Act. Rehabilitation of the St. Mary Diversion Facilities affords an opportunity for the State of Montana and Federal Government to work with the Blackfeet Nation in addressing their environmental concerns.

In 2001, the State of Montana negotiated a water rights compact with the Gros Ventre and Assiniboiné Tribes of the Ft. Belknap Reservation. The compact is a delicate negotiated balance of water rights, including the Gros Ventre and Assiniboiné Tribes' right to essentially all of the natural flow of the Milk River, subject to the claims of the Blackfeet Nation. The Ft. Belknap water rights compact is predicated on the continued viability of the St. Mary Diversion Facilities to deliver water to the Milk River Basin.

Water from the St. Mary River may also provide hope for the recovery of the endangered pallid sturgeon. After flowing 700 miles through Montana and Canada, the Milk River empties into the Missouri River just below Ft. Peck Reservoir. The confluence of the two rivers may provide one of the few remaining spawning habitats for the pallid sturgeon. Without supplemental water from the St. Mary River, the Milk River would run dry before reaching the Missouri on average of six out of every ten years.

In October 2004, the Bureau of Reclamation released its North Central Montana Regional Feasibility Report authorized under the 1999 Chippewa Cree reserved water rights settlement (P.L.106-163). The study found that **“St. Mary Canal System Enhancements is the only alternative that would significantly address the water supply and related issues of north Central Montana and that would produce positive economic benefits”** (U.S.BR, October 2004, Page iii).

Specifics of Aging Infrastructure Issues

The St. Mary Diversion Facilities are nearly 100 years old and are still dependent on the same basic infrastructure built by the Reclamation Service in the early 1900's. Separate components of the system include a storage reservoir on Swiftcurrent Creek, a diversion dam on the St. Mary River, canal headgates, two sets of inverted siphons, check and wasteway structures, five hydraulic drops, and approximately 29 miles of canal.

As a result of continued degradation of the diversion and conveyance structures, system capacity has declined from an original design capacity 850 cubic feet per second (cfs) to a present capacity of 670 cfs. Deficiencies along the canal include reduced capacity, slope instabilities, limited freeboard, limited access for maintenance, inoperable check structures and wasteways, and seepage losses. The U.S. Bureau of Reclamation has identified landslides along the canal route as one of their top five concerns.

The system contains two sets of steel siphons the largest of which are 7.5 feet in diameter and 3,200 feet long. Due to various soil and weather conditions, the steel barrels and concrete supports have moved considerably since construction, causing buckling and compression of the expansion/contraction joints. On July 21, 2004, Reclamation was forced to shut down the canal for a week to repair a leak in the left barrel of the St. Mary River Siphon. The leak was attributed to a failed weld associated with repair work completed in 2001. Within 3 days of starting water deliveries in March 2005, Reclamation was once again forced to shut down the system for another repair on the left siphon barrel. The Bureau of Reclamation has identified the siphons as one of their top five concerns.

Perhaps the weakest link in the entire system is a 90-year old bridge that carries the largest set of siphons over the St. Mary River. Built in 1915 by the Minneapolis Bridge Company, the north side of bridge carries the twin barrels of the St. Mary Siphon while the south side carries a single lane county road. Bridge construction consists of a mild steel truss superstructure with a timber decking. It is worth noting that mild steel is no longer desirable in bridge construction due to low tensile and yield strength properties. Numerous areas of collision damage are present on the top cords of the steel bracing at both approaches and the timber decking is loose with rot prevalent on the running planks. The bridge was recently given a National Bridge Inventory Sufficiency Rating of 43 (poor). This low rating reflects that fact that the mild steel superstructure cannot support heavy truckloads, the overhead vertical clearance is insufficient, and the concrete abutments are deteriorating.

Failure of the St. Mary Siphon Bridge would shut the entire system down and potentially cause significant damage to lands and waters of the Blackfeet Nation. I ask the Committee to imagine the potential damage when 670 cfs of water comes blasting out the ends of two 7.5-foot diameter tubes! Since Reclamation's field headquarters are built on the far side of the bridge, field staff would have to drive 40 miles on dirt roads in order to close the canal headgates. Amazingly, Reclamation does not have an emergency protocol in place to deal with a potential bridge failure.

Five reinforced concrete hydraulic drop structure at the end of the 29-mile long canal system provide a total fall of 214 feet to the point where the water is discharged into the North Fork of the Milk River. All five structures suffer from severely deteriorated and spalled concrete with the underlying reinforcing bar exposed in many places. Failure of one of these structures in 2002 resulted in the canal being turned off for approximately 2 months during the irrigation season. The Bureau of Reclamation has identified replacement of the drop structures as one of their top 5 concerns.

Working With Reclamation

For many years, Milk River irrigators, State of Montana water resource staff, and Reclamation staff have been working together on water management issues in the Milk River. It was not until the mid-1990's that the potential catastrophic failure of the St. Mary Diversion Facilities was recognized by the State and irrigators as a significant risk. At the time, the Chinook Irrigation Division had received a grant of \$300,000 to improve water use efficiency. However, an emergency repair of the St. Mary Siphons arose and the Chinook Division requested that the State funds be used to pay for the emergency repair rather than on water use efficiency. The funds were transferred and an additional \$100,000 was added so that the siphons could be repaired and returned to use. The following year the same scenario played out where districts requested emergency funding for a repair of the St. Mary

Siphon. This time the State met with irrigators and Reclamation on the St. Mary diversion site to discuss the reasons that the emergency arose. It was at this on-site meeting that concern over the potential catastrophic failure of the system was recognized.

The State then began to work with Milk River irrigators and Reclamation to find solutions so that a major rehabilitation project could proceed. Through the Rocky Boy water compact, the Montana Congressional Delegation was able to gain support for a \$3 million appropriation for Reclamation to conduct the North Central Montana Regional Feasibility Study that would investigate and identify present and potential water supplies, water uses, and management, major water-related issues, and opportunities to resolve these issues. Published in 2004, the North Central Regional Feasibility Report concluded that the “St. Mary Canal System Enhancements is the only alternative that would significantly address the water supply and related issues of north central Montana and that would produce positive economic benefits.”

Reclamations conclusion supported State and local efforts to find a way to rehabilitate the St. Mary Diversion Facilities. However, Reclamation rather than taking a leadership position to rehabilitate the system, stated publicly that they would not support a rehabilitation plan if it involved the use of federal funds. The only acceptable approach to the agency was for the irrigators to pay for the entire cost. During the initial public meetings announcing the new Water 2025 initiative, Commissioner of Reclamation, John Keys made it clear to Montana representatives that Reclamation could not support a rehabilitation effort that involved federal funding.

The dilemma of knowing that the entire water supply of the Milk River basin was at risk and the only option that Reclamation would support would be impossible for the irrigators to support forced the State of Montana to act. On November 18, 2003, Lt. Governor Karl Ohs held a public forum in Havre and invited all stakeholders in the basin to attend. From this meeting, the St. Mary Rehabilitation Working Group was formed to advise the State on how to find a workable solution to rehabilitate the facilities and address environmental impacts of operation.

The Working Group is composed of 16-members representing a broad coalition of basin interests including the Milk River Irrigation Districts, the Blackfeet Tribe, the Tribes of the Ft. Belknap Reservation, municipalities, business interests, recreational, wildlife and fishery interests in the Milk River Basin. The Working Group’s goals are:

- 1) Find a "Workable" solution for rehabilitating the St. Mary Facilities before the system suffers catastrophic failure.
- 2) Work with the Blackfeet Tribe to address environmental impacts associated with the operation of the St. Mary Facilities and provide workable enhancements and mutual benefits from a rehabilitated St. Mary Canal.
- 3) Explore options for restoring Fresno Reservoir to its original capacity and reauthorization and funding opportunities to rehabilitate the Basin infrastructure.

Though Reclamation attends all Working Group meetings, the agency has chosen to take a role limited to monitoring the discussion and providing technical information. This limited role is confusing to basin residents who do not understand why the agency that owns and operates the facilities is not at the front leading the discussion. Instead, the State of Montana has had to take the

leadership role to move this project forward. Not only is it confusing for the owner/operator not to be fully engaged in the process, it is detrimental to the overall effort.

Only through Congressional action will Reclamation participate. Without direction from Congress, the Department of Interior will not allow Reclamation to actively participate in a rehabilitation project. Recognizing this fact, the State and Working Group have begun a large grass roots effort to support the rehabilitation of the St. Mary Diversion Facilities and approached the Governor and 2005 State Legislature for their support. The Governor's support and Legislative support went well beyond expectations. The Working Group, through the Department of Natural Resources and Conservation (DNRC), had initially asked for \$300,000 in State funds to support their efforts and to add two positions to the DNRC to provide staff support. The Governor took the initiative to request \$10 million State funds to provide non-federal cost share for construction and the Legislature increased the \$300,000 request to \$900,000 to offset the lack of federal funds (Table 1). This level of State support is almost unheard of for what many perceive as an irrigation project.

What the Governor and Legislature recognize is that this is not just an irrigation project. The St. Mary Diversion Facilities represent the very foundation of the economy for a large landscape in Montana. Two tribal governments, Canada, 13 communities, 8 percent of Montana's agricultural economy, recreation, fish and wildlife all depend on the successful rehabilitation of this system.

What is missing at this point is active participation by Reclamation to find a workable solution. Even with the grass roots support of the basin and the leadership and financial support of the State, we cannot succeed without the support of Congress and, in turn, Reclamation.

Through Reclamation's inaction, the federal government is missing opportunities to work with stakeholders and the State to find a workable solution, to protect the environment and improve the economic potential of the Milk River Project. The Milk River Project and the associated St. Mary Diversion Facilities have transformed an intermittent stream into a live river that has evolved into a multiple use water resource project providing municipal water to 13 communities, a high value fish and wildlife resource, and tremendous recreational opportunities. The Bowdoin National Wildlife Refuge and two State of Montana Wildlife Management Areas depend exclusively on this project for wetland preservation, as do numerous listed species, including Pallid Sturgeon, Piping Plover, Bald Eagle, Native Sauger, Blue Sucker, and Paddlefish.

Potential Solutions

The Working Group and State have put in a tremendous effort to raise non-federal funds to initiate the rehabilitation project. In total, over the next two years State and Local funds committed to the rehabilitation of the St. Mary facilities exceed \$14 million (Table 1). However, rehabilitation can only succeed if there is a third partner, the federal government.

In this regard, the Working Group and the State has asked the Montana Congressional Delegation to request legislative drafting services from Reclamation to prepare an authorization bill for the Congress convening in January of 2006. Important elements of this request are to update the Milk River Project's authorization recognizing the multiple benefits of the project, to establish an equitable cost share and a viable repayment structure for reimbursable costs, to enhance the project to provide benefits to the Blackfoot Tribe, to eliminate impacts of operation on the lands and water of the

Blackfeet Reservation, and to allow Reclamation to enter into cooperative agreements with the State and Blackfeet Tribe.

The State has contracted with an engineering consulting team that has reviewed Reclamation's North Central Regional Feasibility Report and is now refining Reclamation's work and will identify cost-effective solutions to rehabilitate the facilities. These reports will be complete by January 2006. In addition, the State is providing funding to Glacier County for construction of a new bridge across the St. Mary River just upstream of the St. Mary Siphon Bridge. A State grant of \$500,000 was awarded to Glacier County to construct a new bridge and we are also pursuing federal funds through the transportation bill to help fund the construction.

In 2003, Milk River Project irrigators paid \$60,000 to Reclamation to prepare a "current use benefits analysis." Reclamation has completed the report but will not make it publicly available. The information that irrigators and the State were able to gather suggests that Reclamation has determined that as much as 50 percent of the benefits accrue to the public through recreation, flood control and fish and wildlife. However, irrigation continues to pay 100 percent of the cost and this is not equitable; however, Reclamation will not release the locally paid for report. Further, release of the study would immediately free up irrigation assessments that then could be applied to non-federal cost share to the rehabilitation project.

The Working Group and the State are eager and willing to work with Reclamation and Congress to find acceptable solutions for federal support to the project. We understand that National priorities make it extremely difficult to find federal funds for the rehabilitation of the St. Mary Diversion Facilities. The tremendous amount of authorized, but not completed Reclamation projects also places a heavy burden on the agency. However, the rehabilitation of the St. Mary Diversion Facilities cannot wait. Should the system fail not only will there be a serious effect on the Montana economy, environmental damage to Blackfeet lands and water, and the potential international conflict, the cost of rehabilitation will be more expensive and difficult. There is not time to simply wait for the federal funding environment to change.

The Working Group and the State wish to work with Congress on finding alternatives to fund Reclamation's participation. If there are ways to work with agencies like the Army Corps of Engineers to help with funding, we will meet and work with Congress and the agencies to find a solution.

Finally, the Working Group and State will continue to raise non-federal funds and work with all of the stakeholders so that we are prepared to pursue the rehabilitation project as soon as federal funds are provided.

Table 1
St. Mary Rehabilitation Project
Committed Non-Federal Cost Share

Federal Fiscal Year '06

- \$1.3 million, which is comprised of \$212,000 in local funds and \$1,087,400 in State funds.

Federal Fiscal Years 2006 through 2016 (assuming a 10-year construction period)

- Approximately \$18 to \$20 million.

State Cost Share

HB 540 Bonding for higher education and other State projects.

- \$10,000,000 non-federal cost share for replacement and rehabilitation of the St. Mary Diversion Facilities infrastructure.

HB 6 Renewable Resources Grants Program

- \$100,000 to install new structural supports and replace expansion joints on Hall's Coulee siphon, and
- \$100,000 to repair the outlet structure of Sherburne Dam.

HB 7 Reclamation Development Grants Program.

- \$900,000 to support the operations of the St. Mary Rehabilitation Working Group (Executive Director, outreach, operating expenses, travel to Washington D.C. by Working Group members, contracted services, etc.).
- \$500,000 for contracted services to pursue engineering, economic and NEPA compliance studies necessary to rehabilitate or replace the decrepit St. Mary Facilities, and assess environmental concerns of the Blackfeet Tribe. This one-time request will be used to bridge the funding gap until anticipated federal funds are received in FY06.

HB 11 Treasure State Endowment Program

- \$500,000 to be used as cost-share towards federal funds for replacing county bridge over the St. Mary River

HB 2 General Appropriations Bill

- \$70,000/yr for new for senior-level engineering dedicated to the St. Mary Rehabilitation Project.
- \$65,000/yr for new for senior-level hydrologist dedicated to the St. Mary Rehabilitation Project.

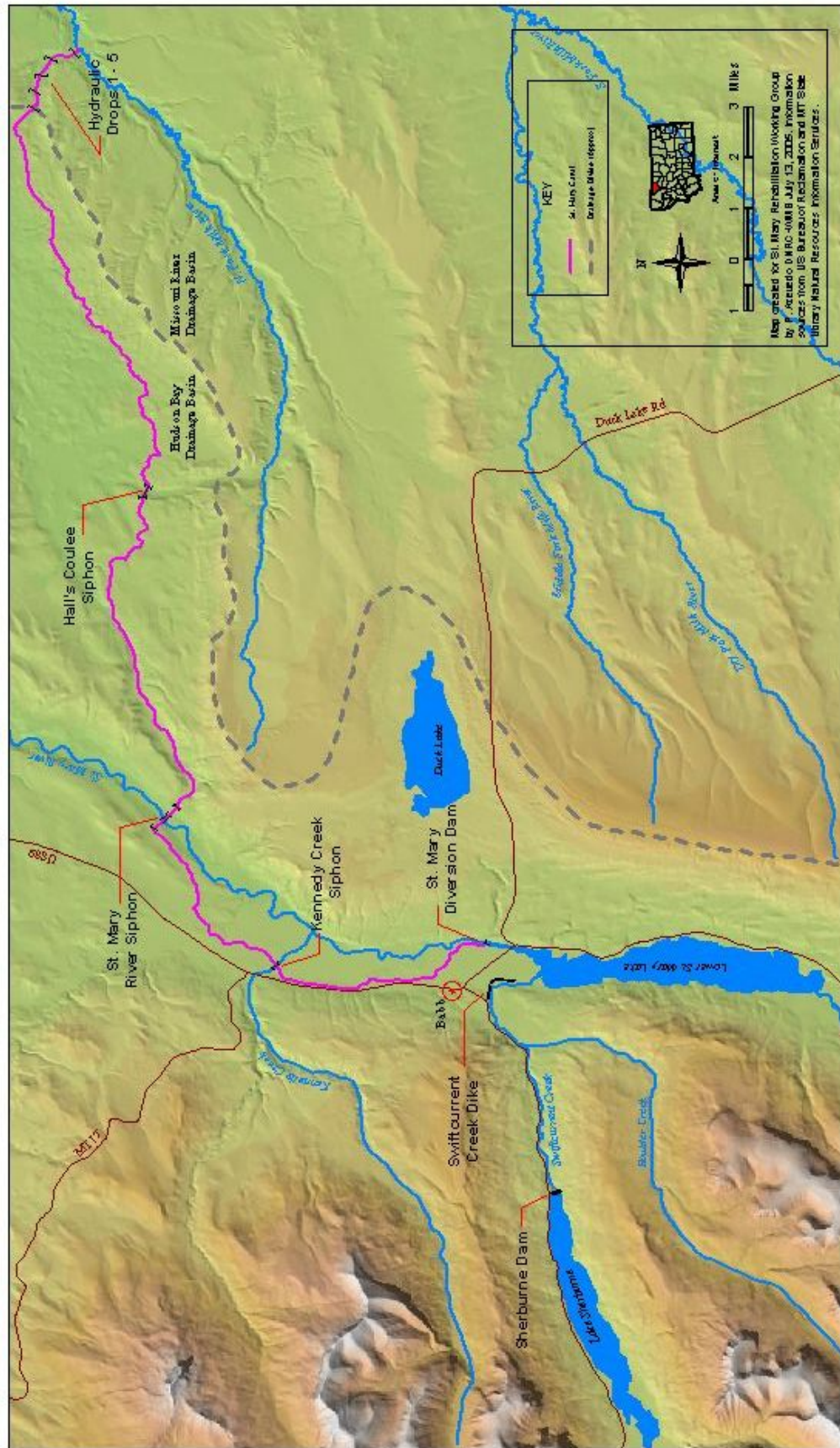
On-going Expenditures

- \$10,000/month assisting basin water users and Blackfeet Tribe in their efforts to rehabilitate St. Mary Diversion Facilities

Local Cost Share

- \$100,000 raised by basin water users, and communities to support efforts of the St. Mary Rehabilitation Working Group.
- \$4,700/month spent by members of the St. Mary Rehabilitation Working Group to attend meetings and promote project within the basin.
- Local debt associated with construction activities (\$3 to \$5 million)

Figure 1: St. Mary Diversion Facilities



Milk River Basin Statistics

	Montana	percent
Area (million acres)	95.3	10%
All cattle (head)	250,000	10%
Irrigated acres	1,455,000	8.5%
Irrigated hay (tons)	259,000	10%