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1 THE PURPOSE OF THE HEARING IS TO RECEIVE TESTIMONY ON THE
2 BUREAU OF RECLAMATION'S IMPLEMENTATION OF THE RURAL WATER
3 SUPPLY ACT OF 2006, AND THE STATUS OF IMPLEMENTATION OF
4 AUTHORIZED RURAL WATER PROJECTS IN THE GREAT PLAINS REGION

5
6 Tuesday, May 27, 2008

7
8 U.S. Senate

9 Subcommittee on Water and

10 Power

11 Committee on Energy and

12 Natural Resources

13 Sioux Falls, South Dakota

14
15 The subcommittee met, pursuant to notice, at 2:00 p.m. at
16 Best Western Ramkota Hotel and Conference Center, 3200 W.
17 Maple Street, Hon. Tim Johnson, chairman of the subcommittee,
18 presiding.

1 OPENING STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM
2 SOUTH DAKOTA

3 Senator Johnson [presiding]: I call to order this field
4 hearing before the Energy and Natural Resources Water and
5 Power Subcommittee. It is my pleasure to welcome everyone
6 here today.

7 I appreciate John Tester, who is from Montana, traveling
8 to Sioux Falls to attend today's hearing. I know that Senator
9 Tester is interested in the topics to be covered today. And
10 believe he will add a valuable perspective to water
11 development in the Great Plains.

12 I also want to thank all the witnesses for traveling to
13 Sioux Falls and being available to present testimony and
14 answer questions.

15 The purpose of today's hearing is to receive testimony on
16 the Bureau of Reclamation's implementation of the Rural Water
17 Supply Act of 2006 and to examine the implementation and
18 status of the water supply projects in the Great Plains.

19 The Great Plains face great water demands for adequate
20 drinking water supplies. Population growth and economic
21 development will further strain the gap between capital
22 improvements needed for public water systems and the
23 capability of governments to finance these new projects.
24 Unfortunately under investment is not the only problem.

25 Millions of Americans left without safe and reliable

1 drinking water. Many of these individuals are served by small
2 community systems. But regionally, our regionalized approach
3 that water delivery could be more effective to distribute
4 drinking water.

5 To better address the outstanding drinking water needs of
6 these communities the Congress passed the Rural Water Supply
7 Act of 2006. Now for the first time, the BOR has a water
8 supply plan to construct new water development projects. We
9 need to get this program up and running. And I look forward
10 to Regional Director Ryan updating the Committee on this
11 implementation.

12 The second part of today's hearing is to receive
13 testimony on construction of ongoing water projects in the
14 Great Plains region. I am proud that South Dakota was the
15 first state to harness the resources of the BOR to construct
16 these regional water projects. Since the year 2003, I have
17 helped secure about 347 million dollars of federal funds for
18 the construction and operation and maintenance of South
19 Dakota's BOR drinking water projects. These projects are an
20 example of how our partnership between the federal and state
21 governments and local sponsors can set the conditions for
22 building our communities.

23 Currently South Dakota has three ongoing projects in
24 various stages of completion that serve diverse and private
25 communities: the Lewis and Clark Regional Water System, Mni

1 Wiconi Rural Water System and the Perkins County Rural Water
2 System. Unfortunately the continued progress and construction
3 of these projects is threatened by the lack of support for
4 funding from the current Administration. The BOR's decision
5 to recommend no funds in next year's budget for Lewis and
6 Clark, a regional solution for water supplies in several
7 Eastern South Dakota communities including Minnesota and Iowa,
8 is simply unacceptable. I'm sure that today's witnesses will
9 touch on the impacts of these cuts.

10 We're also making progress. Some systems are now
11 completed and delivering water for municipal, agricultural and
12 industrial purposes with other projects such as the Mni Wiconi
13 near completion. We have several witnesses from these
14 projects testifying today that can further explain their
15 importance of seeing these projects completed.

16 We have a full panel of witnesses today. So with that, I
17 would like to recognize my colleague from Montana for his
18 opening statement. Senator Tester, please go right ahead with
19 your remarks.

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1 STATEMENT OF HON. JON TESTER, U.S. SENATOR FROM MONTANA

2 Senator Tester: Well, I want to thank you, Senator
3 Johnson. And I am truly happy to be here today in Sioux
4 Falls. I appreciate your leadership in holding this hearing
5 because water is arguably the most important issue that faces
6 the Great Plains and the West, especially here in South Dakota
7 and also in Montana.

8 I know that you have worked very hard on water issues in
9 South Dakota for a long, long time. And in a lot of ways in
10 Montana we want to follow in your footsteps trying to get some
11 of our rural water projects developed.

12 I also want to appreciate Michael Ryan coming in today.
13 I appreciate your sacrifice to being here today, Mike. I look
14 forward to your testimony.

15 Unfortunately it seems like when it comes to these
16 projects that folks with the biggest water problems are often
17 those that are least able to finance them. And we've got the
18 greatest country in the world. And nobody should have to
19 worry about safe, clean, affordable drinking water. Yet a lot
20 of people do.

21 Like South Dakota, Montana also has three Bureau of Rec
22 projects that are in various stages of completion. All of
23 them involve tribal nations. All of them have been voted on
24 and approved by Congress. And each one of them is badly
25 needed. But in the last several years, none of them have

1 ended up in the President's budget.

2 Congress passed the Rural Water Supply of 2006 to clarify
3 the role of the Bureau of Reclamation in developing rural
4 water supply projects. The bill is supposed to lay out a plan
5 to finish authorized projects and put down some guidelines for
6 the projects into the future. I anxiously look forward to the
7 report that is expected out later this year.

8 But in the short term one thing that I am sure about is
9 that these projects will never get completed if they aren't
10 funded at a level that is adequate. In Montana, the St.
11 Mary's Canal Project was built for irrigation purposes nearly
12 100 years ago. 20,000 people depend upon it for drinking
13 water.

14 The Canal is in such bad shape that failure is going to
15 happen. It's just when. If that canal goes, 20,000 people
16 are immediately cut off from water in the Blackfeet
17 Reservation, where the project is, has an environmental
18 catastrophe on their hands.

19 The Fort Peck-Dry Prairie System, another system, is in a
20 race against time with a brine plume from old gas and oil
21 production that is moving in the ground water towards the Town
22 of Poplar. Without this Fort Peck-Dry Prairie Water System
23 getting up and running very, very soon that brine water is
24 going to poison those folks as well, those folks' water wells.
25 The water when you confine it around the north central water

1 system, Rocky Boy's-North Central Water System is so bad that
2 the EPA tells travel members not to drink it. But the federal
3 government hasn't been helping them finish their system that
4 would bring much needed relief.

5 Mr. Ryan, I don't envy the position you are put in. I
6 know there are incredible demands put upon you. And I know
7 you fully realize the importance of these projects to the
8 region. But we're also relying on you to work with the Bureau
9 of Reclamation to make clear the importance of rural water
10 projects to Reclamation states and a plan for their
11 completion.

12 I look forward to your testimony. And of course, we'll
13 have some questions about South Dakota and Montana and other
14 Reclamation states. And how they can finish up our ongoing
15 projects and get some new ones started so our constituents can
16 be guaranteed safe, clean, affordable drinking water.

17 Once again, I do want to thank Senator Johnson for his
18 leadership and for holding this field hearing. And I look
19 forward to testimony. And I too will have some questions.

20 Senator Johnson: Thank you, Senator Tester. We will now
21 turn to the first witness for today's hearing. Representing
22 the Bureau of Reclamation is Michael Ryan, a Regional Director
23 for the Great Plains Region of the BOR. Welcome to Sioux
24 Falls, Mr. Ryan and I appreciate your making yourself
25 available.

1 What I would like to do is from Mr. Ryan to deliver his
2 statement after which Senator Tester and I will ask Mr. Ryan
3 some questions. Once that is complete, we will go onto the
4 next group of witnesses. Also I'd like to quickly note that
5 the Subcommittee has received additional written testimony on
6 the topic before us today.

7 [The information previously referred to follows:]

8 [SUBCOMMITTEE INSERT]

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1 Senator Johnson: That testimony as well as the written
2 submission of all today's witnesses will be made part of the
3 official hearing record.

4 Mr. Ryan, please go ahead with your statement. Following
5 that we'll have a question and answer period for you.

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1 STATEMENT OF MICHAEL RYAN, REGIONAL DIRECTOR, GREAT
2 PLAINS REGIONAL OFFICE, BUREAU OF RECLAMATION, U.S. DEPARTMENT
3 OF THE INTERIOR

4 Mr. Ryan: Thank you. Good afternoon, Mr. Chairman,
5 Senator Tester and staff. My name is Mike Ryan. And I am the
6 Regional Director for the Great Plains region for the Bureau
7 of Reclamation. I am pleased to provide the Department of
8 Interior's views today on the status of rural water projects
9 in the Great Plains region and a report on Reclamation's
10 implementation of the Rural Water Supply Act of 2006.

11 This region has a total of six authorized rural water
12 projects with an estimated remaining federal cost of
13 approximately 1.3 billion to complete them. Reclamation
14 allocates funding for its rural water projects based on
15 objective criteria which give priority to projects nearest to
16 completion and that serve tribal needs. The Fiscal Year 2009
17 budget request reflects Reclamation's attempt to balance the
18 many competing priorities for funding within the federal
19 government and within Reclamation.

20 Prior to the Rural Water Supply Act, Congress authorized
21 several rural water projects. Funding in the amount of 39
22 million is included in the Fiscal Year 2009 President's budget
23 request for some of these rural water projects, specifically
24 Mni Wiconi and the Garrison Diversion Unit. These rural water
25 projects are separate and distinct from any projects that may

1 be authorized in the future under the Act. Detailed
2 information about the funding history and remaining amounts
3 needed for completion of each of these six projects is
4 included in my written statement. And I will be happy to
5 answer questions about any of these projects.

6 Now allow me to provide a status report on implementation
7 of the Rural Water Supply Act of 2006. Reclamation's
8 intention is to work cooperatively with rural communities
9 across the West in a consistent manner to identify rural water
10 supply needs and cost effective options for addressing those
11 needs. Prior to enactment of this legislation Reclamation had
12 no authority to get involved early in the process in the
13 analysis and development of solutions for meeting the potable
14 water supply needs of rural communities in the West.

15 We are working hard to implement this new program in a
16 timely manner. Our focus is to ensure a thorough analysis of
17 rural water needs and options to address those needs through
18 the completion of appraisal and feasibility studies. As
19 studies are completed Reclamation is required to submit a
20 feasibility report to Congress and to make a recommendation as
21 to whether the project is technically and economically
22 feasible.

23 Further, the report must make a recommendation on whether
24 Congress should authorize federal involvement and construction
25 of the project. The report must also make a recommendation on

1 the appropriate non-federal share of construction costs which
2 must be at least 25 percent of the total construction costs.
3 While we expect great interest in this program, Reclamation
4 will not be able to get involved in every project that is
5 presented to us as any efforts to implement projects under
6 this program must compete with other Reclamation projects for
7 finite resources.

8 The Act envisioned the establishment of consistent and
9 objective criteria to help make those choices. Reclamation is
10 currently working to establish programmatic and eligibility
11 criteria for participation in the program and prioritization
12 criteria to articulate how Reclamation will select projects to
13 support. The Act requires that we promulgate and publish the
14 program's rules and criteria in the Federal Register. This is
15 being done through a rule making process in accordance with
16 the Administrative Procedure Act. And will provide
17 opportunities for public review, involvement and comment prior
18 to being finalized.

19 We anticipate publishing the rule in the Federal Register
20 this year. And the President's Fiscal Year 2009 budget
21 request includes one million dollars for Administrative work
22 for the program. That funding would allow us to begin to work
23 with communities on study proposals and then carry out and
24 support studies that are selected based on the criteria.

25 During our initial efforts to scope this program we have

1 held conversations with various stakeholder groups throughout
2 the West. Also, as part of the rule making process, we plan
3 to hold public and tribal meetings to gather comments and
4 answer questions. We will continue that outreach and dialogue
5 throughout the process of implementing this new program.

6 We see this program as an opportunity to provide a
7 clearly defined process for Reclamation and rural communities
8 throughout the West to work together to identify options for
9 meeting potable water supply needs in a technically feasible,
10 environmentally responsible and cost effective manner. With
11 all of this work underway we look forward to working closely
12 with the large base of stakeholders on implementation.

13 Thank you for the opportunity to appear today. This
14 concludes my verbal remarks. I am pleased to answer any
15 questions.

16 [The prepared statement of Mr. Ryan follows:]
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1 Senator Johnson: Thank you, Mr. Ryan. As you know prior
2 to enactment the Rural Water Supply Act of 2006 authorization
3 for BOR Rural Water Projects was a hopscotch of separate
4 authorities tacked into Appropriation bills are missing on
5 these authorization bills. For example, Lewis and Clark
6 Regional Water System was added as an amendment to the Fiscal
7 Year 2001 military construction Appropriations bill.

8 There is apparently a need for a uniform set of criteria
9 to evaluate projects along for the Bureau to recommend to the
10 Congress future projects for authorization and construction.
11 And that was what was intended in the Rural Water Act. Please
12 turn your attention to the funding chart showing the gap
13 between the proposed and enacted funding for the Great Plains
14 Water Projects. It is clear that recent BOR recommendations
15 differ widely.

16 Inconsistent budget recommendations seem to frustrate the
17 Bureau's goal of construction of the municipal, rural and the
18 districal water systems. Please explain how the BOR will
19 achieve its goal of constructing these systems when the
20 Administration's budget recommendations are so inconsistent
21 from one year to the next.

22 Mr. Ryan: Thank you, Senator. One of the things that I
23 can do as an engineer is to help the policy makers understand
24 what types of criteria I would bring to the selection process
25 for projects or for funding proposals for projects. And you

1 see now that the Administration as we approach this, we have
2 the two criteria that we lean on very heavily. One is how far
3 along the project is to completion. And the second is to what
4 extent does that project help serve Native American needs.

5 It's been our experience that the needs within those
6 tribal communities are sometimes the most severe, the most
7 dire of situations. So we use those as guidelines to get
8 started on which projects to direct our funding. One of the
9 frustrating things for all of us in the time that we live is
10 that more money would accomplish more good things.

11 And in recent years Congress has enacted budgets, in
12 addition to what the President has proposed or requested, and
13 that helps the projects move along more quickly. I am
14 thankful for that.

15 Senator Johnson: Mr. Ryan, I think the BOR suffers from
16 a perception in South Dakota that there is no rhyme or reason
17 as to how budgets are formulated. In one year Lewis and Clark
18 project is deemed a priority and is recommended to receive 15
19 billion dollars, then the next year, nothing, no funding at
20 all. This weakens confidence in the BOR.

21 How can the BOR improve the budget process so that
22 projects receive a more consistent recommended level of
23 funding?

24 Mr. Ryan: Senator, I believe that consistency does help
25 as communities are planning long term, not only for what their

1 needs are and how they're going to meet those needs but how
2 they're going to find answers for those. That's why I do
3 advocate using the criteria that we've developed to date. And
4 additional criterias envisioned under the Rural Water Supply
5 Act because I think that helps brings back some predictability
6 to the situation.

7 Another thing that we can do to help, I believe, is that
8 as we understand the technical requirements on the jobs and
9 many of them are site specific or project specific, working
10 with the project sponsors we can help reach a meeting of the
11 minds at least on the technical level of what the cash flow
12 requirements are to complete projects, do the calculations to
13 try to get things done as economic and efficient way as we
14 possibly can. In recent years we've been thrown a bit of a
15 curve ball with the price of some of our components for
16 constructing the systems. But we have to take that into
17 account. And we have to move forward.

18 But my experience has been the more predictable or the
19 more consistent that we can be as a partner, the better that
20 is for our remaining partners as they make their plans on how
21 to proceed.

22 Senator Johnson: I'd like now to turn to one project in
23 particular, the Mni Wiconi System. Recently you met the
24 Oglala Sioux Tribe on how to improve coordination between
25 tribal sponsors and the BOR. What is the quality of that

1 relationship between the BOR and the tribe? And how can it be
2 improved?

3 Mr. Ryan: I would characterize our relationship as very
4 strong and improving. This last week when I visited with some
5 representatives from the tribal membership one of the things
6 that we were talking about was improving the communications by
7 having more frequent, regularly scheduled sessions. Making
8 sure that we're approaching things, not just in a technical
9 aspect, but in a true government to government aspect.

10 So we have our technical folks working together, managers
11 working together and then tribal leaders and myself as the
12 Administration's representative working together. It's, as I
13 characterized it to someone that I work with, it's like a
14 ladder. You have the rungs and you have the styles and they
15 need to be working at all different levels and across, from
16 side to side, in order to be effective.

17 So that's something, I think, would help us, especially
18 now as we're nearly finished and we have this sunset date of
19 2013 to complete. So we need to make sure that we finish this
20 race. We need to be strong to the finish.

21 Senator Johnson: For now I would like to wrap up my
22 questions for Mr. Ryan and ask Senator Tester to proceed with
23 any questions he might have.

24 Senator Tester: Yeah, thank you, Senator Johnson. Once
25 again, thanks for being here, Mike.

1 Mr. Ryan: Yes, sir.

2 Senator Tester: I appreciate your testimony. As per the
3 Rural Water Supply Act of 2006 and that assessment, in your
4 testimony you said it would be finished this year. Can you be
5 more specific than that?

6 Mr. Ryan: We expect, Senator, to formulate interim rules
7 and regulations. Have those by the fall of this year. And we
8 still have to go through the more formulized, final rules and
9 regulations process. But we can begin acting under the
10 interim rules and regs.

11 We expect to be in that situation this fall. So that as
12 we get our funding for Fiscal Year 2009, this fall, we can hit
13 the ground with our feet running.

14 Senator Tester: When will it be ready for public
15 consumption?

16 Mr. Ryan: We've had some informal conversations with
17 some of our stakeholders to date to help us as we've prepared
18 what's in these interim drafts. I expect that in the late
19 summer, early fall, we'll have a public draft available for
20 review and comment. But I think that when people, when the
21 larger public sees it, they will be impressed with the amount
22 of effort that we've put into it. We're trying very hard to
23 do a good job.

24 Senator Tester: Ok. Is -- as Regional Director and you
25 talked about criteria being, well a couple of them were

1 percentage of completion.

2 Mr. Ryan: Yes, sir.

3 Senator Tester: And what the impacts are on the Native
4 population.

5 Mr. Ryan: Yes, sir.

6 Senator Tester: Are there any other -- well, first of
7 all, did the Regional Directors, did they play a role in
8 general when these projects come down the line as far as
9 funding levels, as far as recommendations?

10 Mr. Ryan: Yes, sir. In the Bureau of Reclamation our
11 budget requests are built from the ground up. So that people
12 in our field offices, in this instance with rural water, the
13 people in the field offices will visit with the project
14 sponsors and develop budget requests.

15 My job is then to make a recommendation to our
16 Commissioner. The Commissioner will then contemplate the
17 different recommendations that come to him. He makes the
18 recommendation to the Secretary of the Interior. From that it
19 goes to the Office of Management and Budget for preparation in
20 the President's request.

21 Senator Tester: Not to put you on the spot, but it would
22 seem to me that they're built from the ground up. There's a
23 lot of these projects that were zeroed out when they went by
24 your desk.

25 Mr. Ryan: Well, as I'm sure you can appreciate not

1 everything I recommend is agreed to. But it's also, I think
2 too fair to say for the process that the needs are so great
3 that as we formulate the budget and I take a look at all of my
4 needs for funding requests, requirements within the region,
5 taking care of existing infrastructure as well as developing
6 new water supply infrastructure, it calls for some very
7 difficult decisions.

8 Senator Tester: Yeah and as I look at the chart it would
9 actually -- the purple is the amount that was asked for in the
10 President's budget?

11 Mr. Ryan: Yes, sir.

12 Senator Tester: And we see a decrease in that area. So
13 it appears some decisions were made, I think, at a different
14 level that has it at a different priority. You don't have to
15 answer that. That's just my opinion.

16 Mr. Ryan: Thank you.

17 Senator Tester: Do you feel that the input you have is
18 sufficient to ensure that these projects will be done in a
19 timely manner?

20 Mr. Ryan: I believe, beginning with our Commissioner and
21 going up through the Department and into OMB, that the
22 information that we're able to provide and their visits with
23 the project sponsors helps them to make informed decisions as
24 possible. We try very hard to interpret sometimes complex
25 technical issues into, you know, real world language so that

1 they can make as an informed decision as they can.

2 Senator Tester: Once -- let's go back into this Rural
3 Water Supply Act 2006, once it gets in the fall, it gets done
4 and we're able to utilize it in next year's budget, do you
5 think it will have significant impacts on funding levels for
6 projects?

7 Mr. Ryan: I think that it has the potential, Senator.
8 Because I believe that it will bring to the public eye
9 something that several folks believe they see right now in
10 that the need is great for systems like this and in places in
11 addition to the projects that have authorized to date. I
12 believe that will take some people aback when they see what
13 the needs are.

14 Senator Tester: Ok. I mean one of the reasons I asked
15 that question and I think it's been alluded to here several
16 times this afternoon. And that is is that some of these
17 funding levels aren't even keeping up with inflation.

18 Mr. Ryan: That's right.

19 Senator Tester: And so if there isn't more of a priority
20 put on them within the budget they'll never get completed.

21 Mr. Ryan: Right.

22 Senator Tester: And so that's really the issue. I mean,
23 we've got -- we've invested some real dollars in some real
24 projects in both North and South Dakota and in Montana and
25 quite frankly if these funding levels continue the way they

1 are, at least in this region what I know, we're losing ground,
2 not gaining.

3 Mr. Ryan: With the cost of indexing, you know, the
4 rising cost of the materials needed to construct the systems.
5 It's very difficult to make head way.

6 Senator Tester: Yeah. And that's probably not going to
7 change.

8 Mr. Ryan: Right.

9 Senator Tester: Much, with the price of fuel at four
10 bucks. New projects. Are you going to be recommending new
11 projects?

12 Mr. Ryan: What we'll do is work through the process that
13 the legislation envisions in doing either appraisal or
14 feasibility studies and then make the report to Congress. I
15 would envision that some of the reports to Congress will be
16 favorable and some will be not. But I think it would be pre-
17 decisional right now for me to try and select which ones would
18 be.

19 We know we need to do our work and go through them and
20 scrub the numbers and be able to make our recommendation to
21 the Congress.

22 Senator Tester: Yeah, ok. I just wondered with the way
23 the dollars are going, unless there's more of an emphasis.
24 And trust me, we've got projects in Montana that have not been
25 approved yet that are critically important. But how do you

1 get to a point where you can fund the old ones and take care
2 of the new ones?

3 Mr. Ryan: Yes, sir. It's a challenge.

4 Senator Tester: Just a second here, real quick. You've
5 got a loan guarantee program. What's the status of that?

6 Mr. Ryan: In the second title within the Rural Water
7 Supply Act had to do with the Loan Guarantee Program. The
8 Bureau of Reclamation prepared the rules and regulations,
9 drafted the rules and regulations for implementing the loan
10 program. They were submitted to the Office of Management and
11 Budget in May of 2007, so about a year ago.

12 The Office of Management and Budget had some differences
13 with Reclamation and the Department of the Interior about how
14 many dollars in Appropriations would need to be made in order
15 to effectuate the program. So Reclamation, Interior and OMB
16 right now are sitting down trying to come to a common
17 understanding of what those rules and regs should be so we can
18 get them out and get going.

19 Senator Tester: And those rules and regs, I mean, those
20 are the criteria for the loan?

21 Mr. Ryan: Yes, sir.

22 Senator Tester: And when do you anticipate that criteria
23 or those regs will be done?

24 Mr. Ryan: I've visited with my Commissioner about this
25 subject and he's expressed an interest in having rules and

1 regs out by the time we get into the fall or early winter. I
2 know he's working hard to make that a reality. And I'm
3 hopeful that he's successful because I know several
4 communities that are anxiously awaiting them.

5 Senator Tester: Yeah. Well if you can find out a time
6 for that, that would be good because I think this is an
7 important funding mechanism.

8 Mr. Ryan: Yes, sir.

9 Senator Tester: Back in the day Commissioner Keys
10 testified on the Rural Water Supply Act 2005. He stated that
11 the Office of Management and Budget had done a review of
12 Reclamation's rural water activities and determined that the
13 program was not demonstrating results. Specifically the
14 review noted that Congress had authorized projects that may
15 not be in the best interest federal interest.

16 As a result of the OMB review the Bush Administration
17 recommended eliminating most of the funding for rural water
18 projects. Based on what you know about the projects here in
19 South Dakota and the importance they offer the communities and
20 Native Americans in this state, do you believe that these
21 projects are not in the best federal interest?

22 Mr. Ryan: Senator, I've been to, not all, but many of
23 these projects. I've seen the source water that these
24 families have now. And I've seen what projects like this can
25 do in providing safe and certain potable water for children

1 and for communities. I can't help but think that's in the
2 interest of my government to do that.

3 Senator Tester: Well, I appreciate that response. Just
4 in closing, I want to thank you again, Senator Johnson for
5 getting Mr. Ryan here. And I do appreciate you sacrificing to
6 be here at the Committee here today.

7 Mr. Ryan: Thank you, sir. It's an important topic.

8 Senator Tester: What's that?

9 Mr. Ryan: It's an important topic. I'm pleased to be
10 here.

11 Senator Tester: It is an important topic. And I just
12 want to close on one question. And I know that Senator
13 Johnson and myself and others in this region fight hard for
14 dollars for water projects. But when the President's budget
15 zeros them out it really puts us behind the eight ball.

16 Mr. Ryan: Yes, sir.

17 Senator Tester: Do you see anything that you can do to
18 put a little common sense in this equation?

19 Mr. Ryan: One thing that we can help -- that I can
20 specifically help do, Senator, is make sure that the folks
21 that I work with within the Administration are as fully
22 informed as possible. And that means not only providing
23 written information but whenever schedules and their own
24 budgets allow getting them to the locations to see the work
25 and to visit with the people who are benefiting from these

1 projects. That helps me because it improves understanding.

2 So I think that's helpful.

3 I think another thing that's helpful is when we work with
4 the project sponsors on the engineering aspects trying to make
5 sure we squeeze as much good out of every dollar as we can.
6 But then also have a common understanding of what additional
7 capabilities we may have should funding become available that
8 we could put to good work. You know that's the reason why I
9 became a public servant years ago when I graduated and got my
10 engineering degree. And it's some of the most rewarding work
11 that I do.

12 Senator Tester: Good. Well I appreciate the, you know,
13 getting the most bang for the buck and then making sure the
14 engineering meets the needs and is lean and mean in that
15 process. And I would tell you that I would offer our help in
16 getting anything that we can do to help facilitate these folks
17 out here because I agree with you.

18 We can get people within the bureaucracy to come out and
19 see first hand what's going on. Come and see first hand, as
20 you have. As you've said you have had to see first hand
21 what's going on as far as inadequacies in rural America in
22 this region. I think it helps us all.

23 Mr. Ryan: Yes, sir.

24 Senator Tester: And makes our job a bit easier.

25 Mr. Ryan: Yes, sir.

1 Senator Tester: So thank you very much, Mike.

2 Mr. Ryan: Thank you, Senator.

3 Senator Johnson: Mr. Ryan, in conclusion I don't
4 understand the priorities of this Administration. For
5 instance one billion dollars would make a huge difference in
6 the water funding for America. It costs 200 billion dollars a
7 year in Iraq.

8 I don't understand that as a set of priorities at all.
9 But I don't expect you to answer that. And thank you for
10 coming.

11 Mr. Ryan: Thank you, sir.

12 Senator Johnson: Thank you, Senator Tester. Now I'd
13 like to move onto to the second group of witnesses. We have a
14 good list of witnesses from South Dakota who can provide their
15 views on the importance of BOR's meeting the water supply
16 needs of the state.

17 We're joined today by Mayor David Munson of Sioux Falls,
18 South Dakota. Troy Larson, Executive Director of the Lewis
19 and Clark Regional Water System. President John Steele of the
20 Oglala Sioux Tribe. President Rodney Bordeaux of the Rosebud
21 Sioux Tribe. Chairman Mike Jandreau of the Lower Brule Sioux
22 Tribe and Jake Fitzgerald, manager of the West River/Lyman-
23 Jones Water System.

24 Welcome to each of you. Mayor Munson, please go ahead
25 with your statement. We'll then proceed with the other

1 witnesses. After all of you have completed your statements
2 we'll proceed with questions.

3 Mayor Munson, go right ahead.

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1 STATEMENT OF HON. DAVE MUNSON, MAYOR, SIOUX FALLS, SOUTH
2 DAKOTA

3 Mr. Munson: Mr. Chairman and Senator Tester, my name is
4 Dave Munson, Mayor, City of Sioux Falls, South Dakota. And it
5 is my pleasure to welcome you to our city. And I thank you
6 for bringing this field hearing to Sioux Falls. And for the
7 opportunity to testify before your Committee regarding the
8 need our city has for Lewis and Clark Regional Water System.

9 Sioux Falls is the largest city in South Dakota. Last
10 year our population exceeded 150,000 people. By the year 2035
11 we estimate Sioux Falls will have 271 citizens. If you
12 combine the City with our four county area our population will
13 approximately 400,000.

14 Our city is striving for many reasons. We believe we
15 found an excellent balance between cost of living and quality
16 of life. For three straight years a major national
17 publication has ranked Sioux Falls the best small city in
18 America for businesses and careers.

19 In 2007 the value of our building construction exceeded a
20 half billion dollars, a number you usually find in cities the
21 size of Omaha or Des Moines. Our housing market is stable.
22 In 2007 alone we constructed over 1,700 dwelling units which
23 was much higher than in the last several years.

24 Our unemployment rate is extremely low. Our major
25 industries are diversified with an excellent medical

1 community, a very strong financial sector and continued ties
2 to our agricultural roots. But we know that for Sioux Falls
3 to continue to grow and fulfill its potential we need to
4 secure a future water supply.

5 For 20 years the City has been committed to working as a
6 regional partner to develop the Lewis and Clark Water System.
7 In 2007 our City Council approved the largest bond issuance in
8 the City's history. We committed 70 million dollars to pre-
9 pay the City's share of the Lewis and Clark project.

10 Our debt will be repaid over 30 years through increases
11 to our resident's water rates. We believe it is critical to
12 show our federal partners that the citizens of Sioux Falls are
13 sharing in the cost of this critical need for our community.

14 When Lewis and Clark is completed Sioux Falls will be
15 able to access 27 million gallons of water a day. This will
16 provide enough supply to meet the needs of not just our
17 residents, but the many businesses that draw thousands of
18 regional employees and customers. They help make Sioux Falls
19 an economic engine for the entire State of South Dakota and
20 the surrounding region.

21 Since 2000 the Sioux Falls Metro Area has added more than
22 12,000 jobs. This accounts for more than half of all the new
23 jobs added to the entire State of South Dakota in that time.
24 Taxable sales in Sioux Falls also account for more than 25
25 percent of all sales in the State.

1 It makes sense that a growing city has many needs from
2 road improvement to features like parks and libraries that
3 improve our quality of life. But as we prioritize these needs
4 in Sioux Falls, water consistently rates as our top priority.
5 Without it, we simply cannot sustain our positive growth.

6 Sioux Falls has a geographic room to expand. We continue
7 to invest in our critical infrastructure, including streets,
8 sanitary sewer systems and storm drainage facilities. Without
9 an adequate water supply, however, this well planned growth
10 simply cannot continue.

11 When new businesses and industry visit Sioux Falls a
12 major factor determining their move is the availability of
13 water. The expanded Lewis and Clark pipeline will provide
14 water resources for Sioux Falls to meet its growth for the
15 next 40 to 50 years if properly managed. While we are clearly
16 very focused on growing our available water supply we are also
17 committed to conserving this precious resource.

18 I am proud to say that Sioux Falls is leading the way in
19 our State and Region when it comes to responsible water use.
20 For several years we have restricted water use between noon
21 and five when demand was highest on the system. We also have
22 transitioned residents into watering on odd/even days of the
23 week and recently made that change year round instead of only
24 in the summer months.

25 We offer water conservation kits to residents with items

1 like low flow shower heads, hose nozzle and lawn watering
2 gauge. And we also provide rebates for purchasing efficient
3 washing machines, rain sensors and irrigation timers. To date
4 we have rebated back nearly 1.4 million dollars to our
5 residents and have lowered our per capita use of water by
6 nearly 10 gallons of water per person per day.

7 Sioux Falls is not simply waiting for a supplemental
8 supply of water. We are working hard to become a more
9 sustainable community now and well into the future. In Sioux
10 Falls we truly recognize the value of our natural resources.

11 We are grateful that our federal partners continue to
12 support our infrastructure needs through the Lewis and Clark
13 Regional Water System. I assure you that you're investing in
14 an excellent city. And that future generations will benefit
15 from your support for decades to come.

16 I want to thank you again for the opportunity to present
17 at this important hearing.

18 [The prepared statement of Mr. Munson follows:]

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1 Senator Johnson: Thank you, Mayor. Mr. Larson?

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1 STATEMENT OF TROY LARSON, LEWIS AND CLARK REGIONAL WATER
2 SYSTEM, SIOUX FALLS, SOUTH DAKOTA

3 Mr. Larson: I'm Troy Larson. I'm the Executive Director
4 of the Lewis and Clark Regional Water System. I'm honored to
5 have the opportunity, Mr. Chairman, Senator Tester, to be
6 before you. As Executive Director of Lewis and Clark I hope
7 to convey to you the importance of the federal government's
8 commitment in helping to address the critical water needs of
9 the tri-state region through the development of this vitally
10 important water project.

11 Lewis and Clark is a unique cooperative effort among 20
12 member cities and rural water systems. The States of South
13 Dakota, Iowa and Minnesota as well as the federal government.
14 Also unique is the project's regional approach to address
15 common water problems in the tri-state region in a more
16 effective and cost efficient way than each member could even
17 attempt to do alone.

18 Regional water problems include shallow wells and
19 aquifers prone to contamination, compliance with ever
20 tightening federal drinking water standards, population and
21 economic growth stifled due to inadequate water supplies and
22 insufficient resources to replace aging facilities. When
23 completed the project will be a wholesale provider of water to
24 its 20 cities and rural water systems. Lewis and Clark will
25 not connect individual homes and businesses.

1 Through its members Lewis and Clark will provide a
2 desperately needed source of quality, reliable drinking water
3 from a series of wells adjacent to the Missouri River to over
4 300,000 people in South Dakota, Iowa and Minnesota. The
5 following chart to my left shows the service area of Lewis and
6 Clark which represents the size of Connecticut. We haven't
7 informed Connecticut of this yet, but they're an official unit
8 of measurement now for Lewis and Clark. But it gives you a
9 perspective of its scope.

10 Lewis and Clark was incorporated in 1990. And in 2000
11 the project was authorized by Congress and signed into law.
12 The project is owned and governed by the 20 local members with
13 construction oversight provided by the Bureau of Reclamation.

14 Construction got underway in 2004. So we are in our
15 fifth season of construction. Currently the project has 90
16 miles of primarily 54 inch diameter pipe either completed or
17 under construction along with seven wells.

18 In the picture to my right puts in perspective the 54
19 inch diameter pipe. And for those in the audience I believe
20 there's some copies of my testimony that you'll be able to see
21 some of these pictures and graphs. For you, Senator Tester,
22 for your benefit I should note that a 30.7 million dollar
23 pipeline project was just awarded last week to a firm
24 headquartered out of Bozeman, Montana. So they'll be doing
25 some work for us.

1 Senator Tester: Thank you.

2 [Laughter.]

3 Mr. Larson: A couple other pictures of our construction.
4 On my right here is a typical cross section of our pipeline
5 construction. There is six foot of fill that goes on top of
6 the pipeline. And the picture on my left shows a 50 foot long
7 section of the 54 inch diameter pipe being lowered into the
8 trench. And I just share these pictures to give you a little
9 bit of perspective on the size of the pipeline.

10 The following chart summarizes the progress being made.
11 The red lines represent construction that has been completed.
12 And the green lines are construction that is underway. In
13 addition the first phase of the water treatment plant will be
14 bid this summer. The maximum capacity of the plant will be 45
15 million gallons a day.

16 Today's field hearing comes at an exciting time for Lewis
17 and Clark. On May 1st Lewis and Clark celebrated a momentous
18 occasion as we put into operation the first segment of
19 pipeline. The nine miles of pipe between Sioux Center and
20 Hull shown over here were built several years earlier than
21 planned to serve as an emergency connection for Hull which is
22 facing water shortages.

23 On a temporary basis until Lewis and Clark water arrives,
24 Lewis and Clark will purchase water from Sioux Center. And
25 resell it to Hull as a band aid approach to buy time for that

1 community. As our Chairman, Red Art noted, who's with us
2 today, "It took 18 years, but we're finally selling water,
3 nine miles down, only 328 miles to go."

4 A similar emergency connection is being built sooner than
5 planned for the rapidly growing communities of Tea and
6 Harrisburg, South of Sioux Falls. And that's this segment of
7 pipe right here. That is being built earlier than anticipated
8 as well.

9 In the short term water will be purchased from Sioux
10 Falls on a temporary basis and resold to Tea and Harrisburg.
11 We hope to have this second emergency connection in operation
12 this summer. These emergency connections demonstrate the
13 critical water needs in the region and the extent Lewis and
14 Clark is going to try to buy time for these communities until
15 Lewis and Clark water arrives.

16 Another demonstration of the critical water needs is the
17 pre-payment being made by the local members and three states.
18 Generally speaking the cost break down for this project is 80
19 percent federal funding, 10 percent from the three states and
20 10 percent from the local members. The exception is Sioux
21 Falls which has a higher cost share.

22 To help keep construction on track and reduce the impact
23 of inflation, 17 of Lewis and Clark's 20 members have pre-paid
24 their entire share of the project. As you will see on this
25 chart, to date the members have paid a total of 106.5 million

1 dollars, which represents close to 99 percent of the member's
2 commitment. It's important to note and I can't stress this
3 enough that many of the members are pre-paying millions of
4 dollars, decades or more, before they will see a single drop
5 of water. That's putting your money where your mouth is.

6 As has been noted by some in Congress, this took a lot of
7 guts and demonstrates not only the strong local support, but
8 how important it is for the project to be completed in a
9 timely manner. In addition on the chart you will see the
10 States of Iowa and Minnesota have paid 100 percent of their
11 commitment which totals 12.4 million dollars. The South
12 Dakota legislature approved 6.4 million for Lewis and Clark
13 this year which is one-third of Governor Round's plan to pre-
14 pay the state's remaining share by 2010.

15 By contrast, the federal government has paid 102 million
16 dollars to date which represents just over 28 percent of the
17 federal government's commitment. Now it's important to note
18 that we are very grateful for the funding that has been
19 appropriated thus far. And we are especially grateful to our
20 elected officials who have fought so hard for every penny that
21 has been allocated for Lewis and Clark.

22 In particular last year's record 26.5 million for the
23 project would have never happened without the leadership of
24 Senators Tim Johnson, John Thune and Representative Stephanie
25 Herseth Sandlin. Given the tight budget constraints Congress

1 was facing last year, securing a 5.5 million dollar increase
2 over last year was nothing short of a Herculean effort by our
3 tri-state Congressional delegation. Unfortunately that great
4 news was short lived, lasting only five weeks until we learned
5 that Lewis and Clark has received a recommendation of zero
6 dollars in the Bureau of Reclamation's budget for Fiscal Year
7 2009.

8 35 million is what Lewis and Clark needs to keep
9 construction on schedule which is already close to four years
10 behind schedule. At 35 million, the earliest the project
11 would be completed is 2020 which is shown by the blue line on
12 this chart to my right which highlights the impacts of
13 inflation. At 35 million a year the total project cost would
14 be just over 525 million dollars.

15 However, if hypothetically the project only receives 15
16 million dollars each year, which is what the Administration
17 proposed last year, it's estimated the project would not be
18 completed until 2045 as shown by the green line and would have
19 an overall price tag of just over 700 million dollars. This
20 assumes, I want to stress, a very conservative four percent
21 rate of inflation. We haven't seen four percent rate of
22 inflation for some time. So these numbers will likely be
23 higher.

24 In summary, rural water projects, like Lewis and Clark
25 are vitally important to improving the quality of life and

1 expanding economic development opportunities for the people
2 they serve. Projects like Lewis and Clark simply cannot be
3 completed without the cooperation and assistance from the
4 federal government. However the longer it takes to receive
5 the necessary federal funding for these projects, the more
6 expensive they become as a result of inflation. And the
7 longer critical water needs go unmet.

8 It's very important that rural water projects under
9 construction be completed in a timely manner. Thank you very
10 much for you time and consideration.

11 [The prepared statement of Mr. Larson follows:]

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1 Senator Johnson: Mr. Steele?

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1 STATEMENT OF JOHN STEELE, OGLALA SIOUX TRIBE, PINE
2 RIDGE, SOUTH DAKOTA

3 Mr. Steele: We don't all have to go to Washington to --
4 I don't like that place over there.

5 [Laughter.]

6 Mr. Steele: But Senator, I'd like to say that yourself,
7 you've been involved in just about every one of these projects
8 since their inception. And I think you've done the most while
9 you were in the House of Representatives and the Senate to see
10 these projects to where they are now. And Senator Tester, I
11 thank you for coming to South Dakota and welcome.

12 Senators, we not only thank you for holding this hearing
13 here. We, from the Oglala Sioux Tribe, and the Mni Wiconi
14 Project would endorse and support each and every project on
15 that board up there. The Lewis and Clark, the Mni Wiconi,
16 Perkins County, Garrison Diversion, the Fort Peck and Rocky
17 Boy's because we realize the need for water, not only to today
18 for the health needs and the economic development for the
19 future development.

20 Our area here is very -- some of it, especially my area,
21 like Mr. Larson said here, the quality of the water, the water
22 table going down, the concentration of minerals. It's costing
23 the federal government more, Senator Johnson, the longer we
24 wait for the completion of these projects. Our project was to
25 be completed in 2003 and because of the inadequate funding

1 over the years, we're now at a sunset year of 2013.

2 And also unlike some of the projects out there I would
3 like to say that the treaty that we have with the United
4 States Government, the Treaty of Peace, the federal government
5 then promised us adequate health care. And this, today, is
6 needed on Pine Ridge. We can show it, Senator, in some of the
7 statistics now. But we would like to say, Senator, that we
8 have a very good team. The Lyman-Jones/West River, Lower
9 Brule and Rosebud along with the Oglalas are getting the
10 project done.

11 I would like, Mr. Ryan and I liked his testimony. But I
12 think that BOR needs to step up to the plate a little more.
13 And I would like to meet with Mr. Ryan to tell him he's
14 looking at cost efficiency and the cost effective manner in
15 which to get the projects done.

16 But I don't know if Mr. Ryan knows the history, the
17 Appropriations of 1871 saying that no more treaties would be
18 made with Indian tribes. Hereafter they would be dealt with,
19 with acts of Congress. But nothing in these acts would or
20 could change anything in the existing treaties. And that the
21 U.S. Supreme Court in several cases ruled that the treaties
22 are to be interpreted as the Indians interpret them.

23 The Act of 1877, they call it, I don't know what the
24 right name of that is. But a lot of people refer to it back
25 at home. When the federal government realized that they'd

1 killed off all of the buffalo and the Act of 1877 is sort of a
2 social services act that established the rations. And in
3 general it says to sustain that individual Indian.

4 And Senators the rations came out of that surplus
5 commodity program. And we'd like to interpret that to mean in
6 keeping of the federal governments treaty language and the
7 healthcare to show them how the existing infrastructure of the
8 pipeline, right now, has affected these statistics and these
9 numbers. And it's affected the cost to the federal government
10 and how, yet today, the chemicals, especially arsenic.

11 And EPA is temporarily letting us use some wells,
12 Senator, with the understanding that this river water is going
13 to reach Pine Ridge. And this arsenic is causing cancer. And
14 there's a high cost to that, Senator. And it can be affected
15 with the completion of our project in Mni Wiconi.

16 We need to talk to someone to show them this
17 documentation so that the government will -- and we also have
18 some posters, Senator. And the first one is the pipe
19 trenching between Kadoka and the Reservation. And I would
20 like to introduce the individual standing there, Senator and
21 say that Mr. Frank "Popo" Means, when I was Vice President.

22 And I believe, Pope, that was between 1984 and '86. He
23 was on the Tribal Council. And he went up to Karoake and met
24 with Senator Abner had a meeting up there. And that was the
25 first time that the non-Indian and the Indian got together on

1 our water needs.

2 And we had been thinking of the same thing back in the
3 1950s, we understand, on usage of that Missouri River water.
4 And so that's when we actually got together, testimony was
5 developed. And now, Mr. Means is the Executive Director of
6 our whole program, the Mni Wiconi Project, the construction
7 from the river to the Reservation and inside the Reservation,
8 the distribution system. But the pipe trenching is the
9 connecting between Karoake and Pine Ridge which we will
10 realize this fall.

11 And the other picture is, we call it one of the most
12 modern treatment plants in the whole United States, very
13 computerized. Oglala Sioux Tribal members are in charge.
14 They're operating the intake and the water treatment plant.
15 And everything is going good in the communities we're
16 supplying right now. We do have a reservoir there. We have
17 reservoirs, pumping stations that the Oglala Sioux Tribe
18 operates and maintains.

19 And the last picture on the end over there is what we --
20 is labeled water hauling. And this is an ongoing thing on
21 Pine Ridge that we have homes that have to haul water for
22 domestic use, for drinking, for washing dishes, for cooking.
23 And we get into it with the Bureau because they don't like the
24 project of hauling water to people's homes.

25 And we have to argue with them over a budget for that so

1 that we can at least the household by delivering water to
2 their homes until the pipeline and distribution system does
3 get to them. But that's water hauling. And we've got quite a
4 number of them yet on Pine Ridge that we haul water to their
5 homes.

6 I'm taking too much time up, Senator. And will be able
7 to answer questions. But I did provide you with some written
8 testimony, Senator and would like to have that included in the
9 record, please.

10 Senator Johnson: It will be received.

11 Mr. Steele: Thank you.

12 [The prepared statement of Mr. Steele follows:]

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1 Senator Johnson: President Bordeaux?

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1 STATEMENT OF RODNEY BORDEAUX, ROSEBUD SIOUX TRIBE,
2 ROSEBUD, SOUTH DAKOTA

3 Mr. Bordeaux: Thank you, Senator. Senator Tester,
4 Senator Johnson, thank you for this opportunity to be able to
5 present testimony today. I am President of the Rosebud Sioux
6 Tribe. The Reservation of the Rosebud Sioux Tribe encompasses
7 up to a million acres and we serve over 20,000 tribal members.

8 Having a safe, reliable supply of high quality water is
9 taken for granted by most Americans. On the Rosebud Indian
10 Reservation water is respected as a necessity for life and the
11 health and welfare of our people. In the 1980s we developed a
12 small rural water system that took water from the well field
13 near the Rosebud community where high quality ground water is
14 available and we provided this to the community of Parmelee
15 which is located in Todd County.

16 Our tribal leaders had to work with a variety of agencies
17 including the Farmer's Home Administration, now referred to as
18 Rural Development and the Indian Health Service to expand the
19 system to the other parts of the Reservation where good
20 quality water was not available. However the funding was a
21 major impediment. In 1988 the Mni Wiconi Project was
22 authorized and the Rosebud Sioux Tribe was not a part of that
23 project initially.

24 Representatives of the BOR met with tribal
25 representatives and explained the project. They emphasized

1 that the participation in the Mni Wiconi Project would not
2 impact the reserved water rights. And the Secretary of the
3 Interior was responsible for paying the planning, design,
4 construction, operation and maintenance of the system.

5 In the early 1990s our tribal leaders decided it was in
6 our best interest to participate in the project because number
7 one, water lines planned for West River crossed our lands.
8 Number two, it did not affect our reserved water rates.
9 Number three, it helped the United States meet the treaty
10 obligations, 1868 Treaty. And number four, no other source of
11 funding was available to meet our water needs.

12 I would like to stress the last point which there were
13 pressing needs for quality water to improve the health and
14 welfare of our Reservation. And no program was available to
15 meet those needs. So it was in the best interest of the tribe
16 to become part of the Mni Wiconi Project.

17 We completed a needs assessment in 1993 that identified a
18 preferred alternative, excuse me, that would use a combination
19 of 62 percent surface water from the Missouri River and 38
20 percent ground water from the Oglala aquifer. Rosebud Sioux
21 Tribe worked with the Oglala Sioux Tribe, West River/Lyman-
22 Jones County and the BOR on the final engineering report for
23 the project. Public Law 103-434 was passed on October of 1994
24 and that amended the Mni Wiconi Project Act to meet the full
25 needs of the Oglala Sioux Tribe, West River/Lyman-Jones and

1 added the Rosebud Sioux Tribe as well as Lower Brule Sioux
2 Tribe.

3 The inclusion of Rosebud Sioux Tribe would not have been
4 possible without diligence and perseverance of the BOR, our
5 Congressional delegates and Senator Johnson, especially, and
6 the other sponsors. And we gratefully acknowledge that and
7 show our appreciation. The Mni Wiconi Rural Water Project
8 comprises service areas for both Indians and non-Indians alike
9 and I believe this has improved relationships with the non-
10 Indians over the past 15 years on our Reservation. The BOR
11 has provided an even handedness in their oversight of the
12 project that is unique and their technical competence is
13 praiseworthy.

14 Mni Wiconi has been a blessing. The project is
15 fulfilling the vital need for quality water on our
16 reservation. By the end of this year we will have close to 75
17 percent completion. And I can say that the project has been a
18 success. We have brought high quality water to distant
19 corners of Todd and Mellette counties and worked with Tripp
20 County Rural Water to serve members of the Rosebud Sioux Tribe
21 in Tripp and Gregory Counties which is primarily our secondary
22 service area.

23 We have brought maps showing the status of our project on
24 the Primary as well as the Secondary Service Area. However,
25 we must not forget the remaining work to be completed. The 25

1 percent remaining is critical and includes the hooking up of
2 individual homes, businesses, additional reservoirs and pump
3 stations and upgrading obsolete water lines in some
4 communities such as Rosebud. We also have Mr. Syed Huq, our
5 water resources director. And he manages Mni Wiconi and the
6 Rural Water System.

7 The project has met critical economic development and
8 health needs on the reservation. According to the 2000 census
9 the Rosebud Reservation in Todd County is one of the poorest
10 counties in the country. 46 percent of the population is
11 below the poverty level as compared to only 14 percent in
12 South Dakota.

13 Mni Wiconi water has been used for two economic
14 development projects and this year we'll be extending water to
15 serve a tribal commercial business center which is in
16 progress. These projects provide employment opportunities
17 where none existed before. We have also developed direct
18 employment opportunities in the form of construction
19 administration and inspection, water conservation and tribal
20 construction crews.

21 Prior to Mni Wiconi Rosebud Rural Water System, members
22 of many communities in the northern part of our Primary
23 Service Area had to haul water and water borne diseases were
24 rampant. Cases of Gastroenteritis averaged 375 per year
25 between 1981 and 1986. The occurrence rate for Shigellosis,

1 another water borne disease, has been reduced from 22 cases in
2 1992 to 1 case in 2000.

3 High quality water supplied by Mni Wiconi meets all the
4 requirements of the Safe Drinking Water Act. And as shown
5 above has had a direct impact on the health and welfare of our
6 population. Safe drinking water is a source for good health
7 resulting in lowering of health care costs for our tribal
8 members by Indian Health Service.

9 We have developed an excellent working relationship with
10 BOR since our early involvement in the project. They have
11 supported our efforts to improve the quality of life on the
12 reservation. And shown a high level of common sense and
13 flexibility in how the Project has been implemented. We have
14 also developed an excellent working relationship with not only
15 the Oglala Sioux Tribe and Lower Brule, but also with West
16 River/ Lyman-Jones County Project.

17 We have some concerns about the Reclamation's Rural Water
18 Program as authorized by the Rural Water Supply Act of 2006.
19 In meetings with the Commissioner and his staff, they have
20 stressed that they are committed to the timely completion of
21 our project. Our concern is that in subsequent
22 Administration's water projects authorized through
23 Reclamation's Rural Water Program could be favored as the
24 Administration prepares their annual budget request for
25 Congress. We hope this does not occur. The completion date

1 of our project was extended to 2008 and now it's up to 2013.
2 Any further extension will prolong the waiting list for
3 remaining health care benefits of high quality water and we
4 need about 30 million to complete our project at Rosebud.

5 Tribal members on the reservation perceive Mni Wiconi as
6 fulfilling an important trust responsibility of the federal
7 government to the Indian Tribes. The history of broken
8 treaties that have deprived them of land and resources have
9 left the tribes angry, poor and distrustful toward the federal
10 government. Mni Wiconi not only is an economic and public
11 health benefits engine to the tribes, it is also building
12 social and cultural infrastructure.

13 The most important highlights of the Mni Wiconi Project
14 is the trust that is being fostered towards the federal
15 government by the Indian tribes and a precedent for Indians
16 being primarily responsible for construction, operation and
17 maintenance of one of our largest rural water systems in the
18 country. It is also reconciliation at its finest for the
19 Indians and non-Indians working together respectfully and
20 cooperatively under the umbrella of the United States
21 Government, BOR and the U.S. Congress.

22 I want to thank you for this opportunity, Senators. And
23 I appreciate it.

24 [The prepared statement of Mr. Bordeaux follows:]

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1 Senator Johnson: Yes, thank you, Mr. Bordeaux. Chairman
2 Jandreau?

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1 STATEMENT OF MICHAEL JANDREAU, LOWER BRULE SIOUX TRIBE,
2 LOWER BRULE, SOUTH DAKOTA

3 Mr. Jandreau: Chairman Johnson, Senator Tester, thank
4 you very much for scheduling this hearing in South Dakota.
5 I'm Michael Jandreau, Chairman of Lower Brule Sioux Tribe.
6 Thank you very much for the opportunity to appear before the
7 Subcommittee.

8 Senator Johnson, we greatly appreciate your leadership on
9 water issues. The subject of water is of vital importance to
10 South Dakota and across the Western United States. Our tribe
11 borders the Missouri River. The Big Bend Dam is within our
12 reservation and connects us to the Crow Creek Sioux Tribe.

13 The Pick-Sloan project took our best bottomlands to build
14 the dams on the Missouri River. The dams have greatly
15 benefited the United States, but have hurt our Tribe. Senate
16 bill 160, which is pending for the Senate Indian Affairs
17 Committee, is critical to our Tribe. We will not be able to
18 fulfill our potential as a people without the fair
19 compensation for the Pick-Sloan project.

20 I mention this because it provides a context for how we
21 view Mni Wiconi. Mni Wiconi is of great importance to life in
22 South Dakota. We support full funding for Mni Wiconi so that
23 the potential of the project can be extended to the Oglala
24 Sioux Tribe, the Rosebud Sioux Tribe and all the counties
25 within the intended scope of services including Lyman and

1 Jones counties.

2 In March of this year, the Lower Brule Rural Water
3 System's Manager, Jim McCauley, joined in testimony to the
4 Appropriations Committee that requested 38.4 million for the
5 Fiscal Year 2009. The money would be divided with 28.2
6 million going for construction and 10.2 million for operations
7 and maintenance.

8 We also request funding for the wastewater treatment. We
9 need funding for the treatment and containment of wastewater.
10 The proper analysis has yet to be completed and the entire
11 goal of the wastewater treatment remains unfunded.

12 Mr. Chairman, the longer it takes to fund the project,
13 the more it will cost. At Lower Brule, we were able to save
14 two to three million dollars by expedited completion. And
15 that was by the cooperation of Oglala, Rosebud and West
16 River/Lyman Jones. And we're very grateful for that.

17 We are hoping with your leadership that Mni Wiconi can be
18 completed as soon as possible. Thank you very much. I would
19 be pleased to answer any questions.

20 [The prepared statement of Mr. Jandreau follows:]

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1 Senator Johnson: Mr. Jandreau, thank you. Mr.

2 Fitzgerald?

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1 STATEMENT OF JAKE FITZGERALD, WEST RIVER/LYMAN-JONES,
2 MURDO, SOUTH DAKOTA

3 Mr. Fitzgerald: Thank you, Chairman Johnson and Senator
4 Tester. My name is Jake Fitzgerald and I'm the Manager of
5 West River/Lyman-Jones. West River/Lyman-Jones is a component
6 of the Mni Wiconi Project which was authorized in 1988.

7 Again, thank you for inviting me to testify before your
8 Committee and reporting on the progress and success of WR/LJ
9 in the Mni Wiconi Project. We are a regional water supply
10 project serving over 12,000 square miles in semi-arid Western
11 South Dakota. We were authorized almost 20 years ago and
12 we're currently in our 15th year of construction.

13 Water is essential to the economic viability of Western
14 South Dakota. Residents and livestock in the WR/LJ service
15 area suffered with limited water supplies and unacceptable
16 water quality since the early 1900s. They were required to
17 haul drinking water from community sources that did not meet
18 current Safe Drinking Water Act standards. Ranchers would
19 sell their livestock at reduced prices during each drought
20 cycle. And then work to restore their herds once the stock
21 ponds were filled again.

22 This began to change for the West River/Lyman-Jones area
23 in 1993 with pipeline construction and a limited supply of the
24 famous "Wall Drug" water. As stated we are in our 15th year
25 of construction. Appropriations have always been less than we

1 had hoped, but every new connection brings us closer to the
2 completion. Since the "Turn Dirt" ceremony in Wall in 1993,
3 West River/Lyman-Jones has installed over 3,100 miles of
4 pipeline and is delivering quality water to 13 communities, 25
5 individual rural residents and the Badlands National Park.
6 This project truly has been a Godsend during this multiyear
7 drought.

8 The Mni Wiconi project would not have been possible
9 without the combined federal, state and membership funding
10 partnership and the tribal and non-tribal cooperative efforts.
11 WR/LJ Directors and Mni Wiconi Tribal leadership understood
12 the hardship and economic instability brought by unreliable
13 supplies of poor drinking water. They took their problem to
14 the State Government and Congressional leaders and asked for
15 assistance. They took water samples and this piece of pipe to
16 demonstrate the severity of their problem. This piece of pipe
17 is filled with Gypsum found naturally in one of our local
18 wells.

19 Congress responded with project authorization in 1988 and
20 federal funding based on our ability to pay and the
21 requirement of a non-federal cost share. The State of South
22 Dakota responded with a loan on terms that we could afford.
23 The Tribal and non-Tribal sponsors, under the oversight of the
24 Bureau of Reclamation, are working together to build this
25 project.

1 Congress and federal agencies have set standards for
2 drinking water quality to safeguard the people of this
3 country. Public water supplies are required to meet those
4 standards. In many locations it is not economically feasible
5 to treat local water supplies to Safe Drinking Water Act
6 standards.

7 A regional water supply project is the solution to
8 providing safe and dependable water supplies in many parts of
9 the West. A reliable supply of quality drinking water is
10 essential to the health of local residents, the traveling
11 public and to the livestock industry. The Mni Wiconi Project
12 is meeting those needs in Southwestern South Dakota.

13 On behalf of the West River/Lyman-Jones membership and
14 your constituents in the Mni Wiconi project area I thank you
15 and your Congressional colleagues for your continued support
16 of this project. And I urge you to continue Congressional
17 support for Bureau of Reclamation Rural Water Projects.

18 [The prepared statement of Mr. Fitzgerald follows:]
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1 Senator Johnson: Thank you, Mr. Fitzgerald. Mr. Munson,
2 Mayor Munson, what are the consequences for meeting Sioux
3 Falls predicted water demand if the Lewis and Clark Project is
4 unable to provide water to the City by 2012? What do you do
5 then?

6 Mr. Munson: Well, that's been our problem, Senator.
7 When we look at the -- it has a potential to really impact our
8 economy as we talk about, you know, our medical, retail,
9 industrial, housing, have all been really booming. And if we
10 can't make this project a reality by 2012 it has a potential
11 to affect all those industries and really where we have been
12 continually growing each and every year to slow that growth
13 down significantly.

14 So it would really, probably, expedite even beyond where
15 we're at with conservation measures that we have in place that
16 would have to be really stepped up quite a bit. So it has a
17 lot of consequences for the economic future of our area.

18 Senator Johnson: Is building permits and commercial
19 permits under jeopardy in that case?

20 Mr. Munson: You know they really would be, when we talk
21 about last year, half billion dollars that we had was a record
22 year. And so if we can't when the businesses looking to
23 relocate to Sioux Falls or expanding in Sioux Falls or even
24 houses we would probably have to look very carefully at how
25 much growth we could experience. So those record years that

1 we're having would really, I think, come to a really, I think,
2 come to a real -- they'd start to slow down.

3 Senator Johnson: Mr. Larson, as you are well aware BOR's
4 recommendation for funding was cut to zero dollars in the
5 coming year. Mr. Larson, as the Executive Director of the
6 project what sort of reaction was felt among your members and
7 has it impacted any planning that you may be doing for the
8 longer term?

9 Mr. Larson: Mr. Chairman, it was a great deal of
10 frustration expressed from our 20 members when zero funding
11 was proposed, especially coming off last year with the pre-
12 payment by the members. So here was a step of faith that the
13 members took, Sioux Falls and 16 other members to pre-pay
14 their share of the project. And then to have the
15 Administration propose zero right on the heels of that was
16 very disheartening to say the least.

17 In terms of planning what's -- this is over a 500 million
18 dollar project. And what is so frustrating is not knowing
19 year to year, even remotely, how much we're going to get. We
20 have record level of 26.5 million. Five weeks later, zero was
21 proposed.

22 And so what we have done is spent a lot more time and
23 money on engineering various contingency plans. What if we
24 only get this? What if we only get that? That's money that
25 could be spent putting pipeline into ground. And we're

1 running a lot of what if scenarios.

2 Senator Johnson: President Steele, how long -- the tribe
3 has waited the longest to receive water from the project even
4 though the project is nearly 80 percent complete. President
5 Steele, when will Missouri River water reach Pine Ridge Indian
6 Reservation? And what will that achievement mean to your
7 members?

8 Mr. Steele: Ah, yes, Senator, this fall we expect that
9 the Core line will reach the Northwestern part of our
10 Reservation. We figure in August or September. And Senator,
11 we are going to holding a doings then.

12 And I don't know, you're going to be busy in Washington.
13 I would like to coordinate this to have your presence there.
14 But the water will just reach there.

15 Now this, Senator, you understand all of these years and
16 I've been going testifying, there are five identified projects
17 in the United States that use the Indians to get pipelines
18 built, but they never reach the Indians. We now have a
19 pipeline coming to Pine Ridge and this has been my biggest
20 gripe. And you, Senator, have been our greatest friend with
21 Senator Thune and Congressman Herseth to get this water to
22 Pine Ridge.

23 We always expected it to stop and get de-funded. And we
24 would never get the water. But this fall, Senator. And we
25 expect by the spring of 2009 to reach the middle of the

1 Reservation with this water. And so this is a means to the
2 people there.

3 When we first talked with the people Kadoka and we
4 decided to get this pipeline, to see if we could get it built.
5 The people in Pine Ridge reared up and they had a referendum
6 vote and voted it down. They said that the water would never
7 reach Pine Ridge.

8 But you, Senator, have gotten it there. It's going to
9 reach there this fall. And it means a lot to the people of
10 Pine Ridge.

11 Senator Johnson: I thank you for your participation and
12 Mr. Means participation in turning that thing around.

13 President Bordeaux, why is it that the tribe is using a
14 combination of ground water and surface water? Is there a
15 problem with the ground water contamination? If so, how would
16 the Mni Wiconi address this problem?

17 Mr. Bordeaux: Well the primary source, prior to Mni
18 Wiconi coming along was Oglala aquifer. But we're on the
19 Northern most tip of the Oglala aquifer and it comes into half
20 of our county, Todd County. Good quality water.

21 But looking into the future the Oglala aquifer is drying
22 up in places such as Kansas, parts of Colorado, Oklahoma
23 because of over pumping irrigation systems. So as far as the
24 future looking into several, seven generations at least, so
25 we're planning for their needs.

1 Some of the contaminants in our water is arsenic in the
2 Grossmont area along the White River. There's problems there
3 with the wells down there. Nitrate from farming. Pumping the
4 aquifer.

5 We are monitoring wells. And we're finding some of the,
6 I guess, the chemicals that are being pumped into the system,
7 gets down into the Oglala aquifer. It's contaminating that.

8 And then in the City of Mission there's some old gas
9 stations there that are leaking fuel storage. So we're
10 working on cleaning them. So those are getting into the water
11 system. So that's some of the big problems that we have.

12 Senator Johnson: Chairman Jandreau, can you please
13 describe how the Lower Brule Sioux Tribe carries out its ONM
14 responsibilities. As an operating system what are the
15 maintenance and operations issues you expect to encounter in
16 the next five to ten years.

17 Mr. Jandreau: I guess the primary problems that we
18 anticipate with the ONM portion of the project that we are now
19 pretty much fully into, is the educating of people to
20 adequately use the systems that we have placed out there, that
21 the rural water systems need a lot of maintenance, a lot of
22 care and concern by the individual users to assure that
23 there's no wastage, to assure that the quality for
24 contamination or guarding against contamination is carefully
25 monitored. And we have a pretty well trained crew that are

1 out there and active all the time. So it's not only been a
2 very beneficial from the employment standpoint, but in
3 educating people about the necessity of guarding that very
4 precious resource is being implemented.

5 Senator Johnson: Mr. Fitzgerald, one of the things that
6 is unique about Mni Wiconi, I smile at this, is the cowboys
7 don't get any water unless the Indians get water. And the
8 Indians don't get any water unless the cowboys get water.

9 [Laughter.]

10 Senator Johnson: How is West River/Lyman-Jones been able
11 to work with other project sponsors, the tribes and the BOR to
12 complete elements of common water transmission facilities?

13 Mr. Fitzgerald: I think Mr. Jandreau mentioned briefly,
14 where the sponsors work together to manage funds. And advance
15 funds to another sponsor when one of the other sponsors show
16 the need. I think another good example of that is a
17 cooperative agreement with West River/Lyman-Jones and the
18 Oglala Sioux Tribe on the North Core system.

19 Our Fiscal Year 2006 and 2007 funds went toward the North
20 Core line. That was built with WR/LJ authorized ceiling. And
21 we're grateful we could work together and do that. It allowed
22 us to construct areas around the Core line that were being
23 served from that Core line. And it also freed up 17.6 million
24 dollars for the Oglala Sioux Tribe in order for them to build
25 facilities on the Reservation to supply their members.

1 Senator Johnson: Senator Tester?

2 Senator Tester: Thank you, Senator Johnson. And thank
3 you all for being here. I appreciate your testimony. It was
4 all pretty complete actually. I do have a few questions.

5 First of all, Mayor Munson, you need to be congratulated.
6 It sounds like you got a ripping city here. And that's a good
7 thing.

8 I guess this goes to a question that Senator Johnson
9 asked Troy Larson that goes around contingencies. If you guys
10 had to spend dollars on water contingencies in fear that this
11 project won't come to fruition in time to meet your economic
12 demands.

13 Mr. Munson: Well, you know, we've been working closely
14 with Troy and Lewis and Clark. And, you know, we have set
15 aside and as I said earlier, we pre-paid our 70 million
16 dollars. So that we would, you know, to get the water by 2012
17 becomes crucial for us.

18 So we're trying to do the conservation. We're trying to
19 do the pre-payment authorization to get the money out there
20 ahead of time because of, again, as we talk about -- it's
21 imperative that we get water. It's just that simple.

22 So we're trying to set contingencies through conservation
23 is what we're really working at now to make sure as we talk
24 about going every day to 12 to 5 o'clock watering. So that
25 we're conserving as much as we can with the anticipation that

1 Lewis and Clark will be here in 2012. But, you know, so, we
2 are working in that direction.

3 Senator Tester: Well you also need to be congratulated
4 on the water conservation methods. Maybe we can utilize you
5 in energy conservation from a national standpoint.

6 Mr. Munson: And I think that's something that all of us
7 throughout all of the organizations talking here today, we
8 always have to be cognizant. We're having to continue on with
9 conservation because it is, water is such a precious commodity
10 for all of us. And as we move forward, I think that's it's
11 going to continue to build upon where it's at today. So all
12 of us need to be aware of what we can do to protect that
13 resource as much as we can.

14 Senator Tester: That's a good point. Troy, your charts.
15 I think you did a great job in illustrating the different
16 funding levels and the total project cost and anticipated
17 completion dates.

18 I just wanted to give you an opportunity to potentially
19 describe how a few dollars now will save money down the line.
20 And what you see on a percentage basis or a dollar basis or
21 just, you know, how the federal government, if they were to
22 fund these projects at this point. Not only saves you money
23 from a contingency standpoint, but could save the federal
24 government long term down.

25 Mr. Larson: Sure, that's a very good question, Senator.

1 The old saying, "a stitch in time saves nine," certainly
2 applies here. And what we are seeing is the inflation
3 indexing, especially with steel imports by China is just out
4 of control.

5 We've seen inflation as high as nine percent on this
6 project. Last year was close to five percent. We expect that
7 to go up again this next year.

8 And every dollar that gets delayed, that's not a savings
9 by the federal government. It's a disservice to the
10 taxpayers. Because in the long run instead of paying that one
11 dollar, that could become three or four dollars down the road
12 depending on the rate of inflation.

13 And that's one of the reasons the members of Lewis and
14 Clark, as well as the states have stepped up to the plate and
15 pre-paid their share of the project. Not just to keep the
16 project on schedule, as best they can, but also to reduce the
17 impacts to their taxpayers. And we would certainly hope that
18 the federal government would apply that same common sense as
19 our members and our states have.

20 But it is a challenge with the runaway inflation. We
21 just haven't seen inflation for commodities, not to
22 commodities, but copper and stainless steel, everything is
23 just going through the roof.

24 Senator Tester: Ok. I have a question for Mr. Steele,
25 Bordeaux, Jandreau and Fitzgerald. Mr. Steele talked about

1 the EPA and allowing you to drink water out of a well that has
2 arsenic in it. Has the EPA come in and said, in each of your
3 particular cases, have they said that your water doesn't meet
4 standards?

5 Mr. Steele: Yes.

6 Senator Tester: At this point in time? They have in
7 yours?

8 Mr. Steele: Yes. And they're temporarily allowing us to
9 use those wells realizing that the river water is going to be
10 coming in.

11 Senator Tester: How long are they allowing you? Just
12 until the water comes in?

13 Mr. Steele: We understand that the water will, like I
14 said, reach the Northwestern part of the Reservation this
15 fall, the middle of the Reservation by next year.

16 Senator Tester: Ok, good. Mr. Bordeaux, same thing in
17 your situation? Has EPA said that your current water system
18 is not up to snuff as far as quality?

19 Mr. Bordeaux: Especially with the arsenic in the
20 Grossmont community.

21 Senator Tester: Same thing?

22 Mr. Bordeaux: Yeah, same thing?

23 Senator Tester: Have they given you an extension to use
24 your water too?

25 Mr. Bordeaux: Not necessarily. We just went ahead with

1 our Rural Water System from the aquifer.

2 Senator Tester: Ok. Mr. Jandreau?

3 Mr. Jandreau: Yup. We don't have that problem because
4 we're all along the Rural Water System right now.

5 Senator Tester: Gotcha. And it meets EPA specs?

6 Mr. Jandreau: Well, it meets and exceeds.

7 Senator Tester: Good. Mr. Fitzgerald?

8 Mr. Fitzgerald: Yeah, the communities in our area were
9 high in radium. And they've got the same notice from South
10 Dakota DENR stating that they knew the project was on its way.
11 And they gave those communities as much time as they needed to
12 get by.

13 Senator Tester: Ok

14 Mr. Steele: The alpha content in uranium, the radiation
15 in the water is way up there.

16 Senator Tester: For the three gentlemen from Indian
17 country, has the Indian Health Service talked about health
18 impacts of the water?

19 Mr. Steele: Not really. They are concerned about it.
20 They understand the arsenic is there. In some homes they have
21 put in filters, in the individual houses. But they never get
22 around to change any filters or anything.

23 Senator Tester: Right.

24 Mr. Steele: Now what IHS can identify is in the Oglala
25 area as President Bordeaux said, we had also high nitrites.

1 And we had a lot of stillborn babies, infant mortalities and
2 those numbers have changed. The stillborns is almost nothing.
3 The infants are surviving. And we took the nitrates out of
4 there with getting some other waters in there with the
5 pipeline.

6 Senator Tester: Mr. Bordeaux?

7 Mr. Bordeaux: They provide some good data in terms of
8 some of the problems associated with it. As you know Indian
9 Health Services is severely under funded and they're barely
10 keeping their head above water. But, you know, they keep
11 close contact with us, working with Mr. Hug back here in
12 monitoring a lot of that.

13 Senator Tester: Ok. Mr. Jandreau?

14 Mr. Jandreau: It -- the response is basically the same.
15 The reality is as Mr. Bordeaux has pointed out is that Indian
16 Health Services capacity to really do anything about it is
17 restricted by the funding base.

18 Senator Tester: Yeah. Last question. This is the
19 toughest question you're going to have all day. Mr.
20 Fitzgerald, how long did it take for that pipe to build up
21 that much gypsum?

22 Mr. Fitzgerald: You know, I'm not -- I can't answer that
23 question.

24 Senator Tester: I'm just curious.

25 Mr. Fitzgerald: I don't know.

1 Senator Tester: That's pretty amazing.

2 Mr. Fitzgerald: Yeah, I know this piece of pipe went to
3 Washington, DC quite a few times is what I've been told. But
4 we kind of use it as a centerpiece in our office.

5 Senator Tester: Yeah, well it converted that. What is
6 it, two, two and a half inch pipe down to about a three inch?

7 Mr. Fitzgerald: I believe there was a long stretch of
8 pipe with this build up.

9 Senator Tester: Just like that. Yeah. Three years?

10 Mr. Fitzgerald: Three years.

11 Senator Tester: Well, that's a lot of gypsum. In any
12 rate, I want to thank everybody on this panel. I appreciate
13 your coming in, appreciate you bringing to a ground level
14 perspective. So thank you.

15 Mr. Fitzgerald: Thank you.

16 Mr. Steele: Thank you.

17 Senator Tester: Senator Johnson?

18 Senator Johnson: Yes. It is clear from today's
19 testimony that there are sound justifications for a strong
20 national commitment to rural water supplies in the Great
21 Plains. Add part productivity, add part economic growth as
22 well as serving the basic drinking water needs of thousands of
23 people are tied to the success of these projects. Without
24 Congress increasing the budgets for these projects their
25 benefits would be curtailed and the mission of the Bureau's

1 Rural Water Program would be in serious jeopardy.

2 I want to thank all of the witnesses for agreeing to
3 appear before the Subcommittee today and for Senator Tester
4 lending his voice to these important water issues. I also
5 want to thank the preparational staff from the Senate Energy
6 and Natural Resources Committee for helping organize this
7 hearing.

8 Senator Tester, if you have no further comments, I
9 conclude this hearing and remind Senators and staff that
10 questions for the hearing record are due by close of business
11 tomorrow.

12 [The information previously referred to follows:]

13 [SUBCOMMITTEE INSERT]

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1 Senator Johnson: With that this hearing is adjourned.

2 [Whereupon, at 3:42 p.m. the hearing was adjourned.]

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