

**Committee on Natural Resources  
March 26, 2026-10:00am**

**H.R. 7250**

**To Reauthorize the Fort Peck Reservation Rural Water System Act of 2000**

**Testimony of Rick Knick, Board Chairman of Dry Prairie Rural Water**

Good morning, Chair Hageman and Honorable Members of the Committee.

Thank you for the opportunity to present testimony on the need for a two-year extension of the construction completion date of the Fort Peck Reservation Rural Water System from December 2026 to December 2028. I would also like to thank our congressman, Mr. Troy Downing, for introducing H.R. 7250 to address the extension.

My name is Rick Knick, and I am the Board Chairman of Dry Prairie Rural Water in Northeast Montana. My project is partnered with our friends and neighbors, the Assiniboine and Sioux Rural Water Supply System. Together, we were Authorized by Public Law 106-382 in December 2000.

The combined Project's current indexed cost is \$432,764,593. The Project currently provides safe and reliable drinking water for over 18,000 residents located in Northeast Montana including the Fort Peck Indian Reservation. The Project is designed for population growth of 32,000 residents and is served by an intake located on the Missouri River, a 14-million gallon per day regional water treatment plant, and over 3,200 miles of pipeline. The Project covers an area of more than 9,100 square miles or nearly 1/5<sup>th</sup> the size of the state of Arkansas.

The authorizing legislation provided a construction period of 10 years ending in 2010, but three previous amendments were required to extend the completion date to 2015, 2020, and 2026. All of the previous extensions were accomplished in Appropriation Acts by striking the original completion date and inserting the new date. We understand the reluctance of the Appropriation Committee to take that approach in this instance.

The reason for each previous extension was that appropriations had not been sufficient to build the Project within the authorized construction period. There were five rural water projects in the Reclamation Rural Water Program throughout this period, and all were struggling to build with the limited annual budget requests from the respective Administrations and the corresponding level of appropriations. Congress assisted us by adding additional rural water funds to the Administration's budget requests, and those funds have accelerated the pace of construction over the last decade.

We were on track to finish all construction before December 2026 in the early part of this decade, but inflation during and after the covid years more than doubled the prices of pipe material and other inputs and increased our construction costs by an additional \$60 million. Serious supply chain shortages and delays as well as construction inflation contributed significantly to our project costs and pushed the ability to complete construction into 2027. However, it is of major significance to note that both projects anticipate completing all construction \$56 million under the Authorized Construction Ceiling.

The Bureau of Reclamation has provided us the final allocation of funding that will complete the remaining 2 of 23 pipeline phases in the Dry Prairie Project Area and we will be able to finish in 2028.

A contributing factor for the extension to December 2028 is the recent notification by the Bureau of Land Management (BLM) that they cannot permit the construction of one of our final two projects until 2027 at the earliest. This is a project we had intended to bid and award this spring, having submitted our permit application six months ago. Our project crosses lands that the BLM designates as priority habitat management for the greater sage grouse, a sensitive species, but one that is not listed as threatened and endangered.

Given that Dry Prairie cannot begin construction on the final pipeline project until early to mid-2027, it will take the 2028 construction season to complete. Our budget is possibly threatened by extraordinary mitigation fees that exceed our current project budget, and the additional year of waiting to start construction adds inflation costs that are not covered by the final funding granted by Reclamation.

The Assiniboine and Sioux Rural Water Supply System has recently completed all phases of its pipeline projects and is now working on construction of two small storage buildings and other beneficial project improvements that will be completed in 2027.

Chair Hageman, I thank you for the opportunity to present the reasons for the two-year extension of time to December 2028, and welcome any questions you and the members of the committee may have.

