



United States Department of the Interior  
Bureau of Indian Affairs  
Northwest Regional Office  
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JAN 15 2014

Ron Trahan, Chairman  
Confederated Salish and Kootenai Tribes  
42487 Complex Boulevard  
Post Office Box 278  
Pablo, Montana 59855

Wayne Blevins, Chairman  
Flathead Irrigation District  
Post Office Box 639  
St. Ignatius, Montana 59865

Kerry Doney, Chairman  
Jocko Valley Irrigation District  
31607 Agency Road  
Arlee, Montana 59821

Jerry Johnson, Chairman  
Mission Irrigation District  
63049 Foothills Road  
St. Ignatius, Montana 59865

Leonard Gray, Chairman  
Cooperative Management Entity Board  
c/o Confederated Salish and Kootenai Tribes  
42487 Complex Boulevard  
Post Office Box 278  
Pablo, Montana 59855

Dear Chairmen:

In 2010, the Bureau of Indian Affairs (BIA) transferred responsibility for the management and operation of the Flathead Indian Irrigation Project (Project) to a Cooperative Management Entity (CME) consisting of representatives of the Confederated Salish and Kootenai Tribes (CSKT) and the Flathead Joint Board of Control (FJBC). In December 2013, two of the three districts comprising the FJBC withdrew from that board, calling into question the viability of the CME and highlighting a desire for continuity in Project management and operation as the irrigation season draws near.

BIA is of the view that the CME remains in existence notwithstanding the dissolution of the FJBC. We acknowledge, however, that not all parties share this view and that actions can be taken to ensure continuity and stability in the near term. The Transfer Agreement allows the BIA to reassume all or part of the Project's operation and management if there is "imminent substantial and irreparable harm to Project funds, trust lands, or interests in such lands, real property assets, and trust resources." To protect its federal assets and the trust resources of the CSKT, the BIA hereby invokes the "emergency reassumption" provision of the Transfer Agreement in a limited capacity as described below.

The CME Project Manager will continue to manage and operate the Project in accordance with the Transfer Agreement, the State-Tribal Cooperative Agreement, and applicable operational guidelines with the following exceptions:

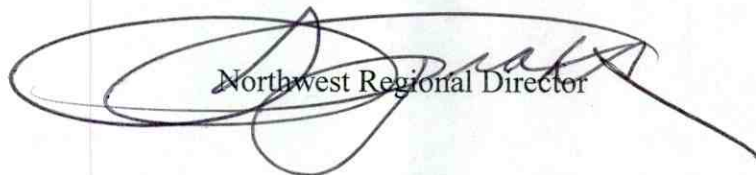
- The Project Manager is authorized to sign checks and expend funds as necessary for the day-to-day operation of the Project; all checks shall also be co-signed by either the Assistant Project Manager or the Supervisory Maintenance Foreman. The BIA shall provide oversight and review all expenditures, and the expenditure of funds shall comply with all applicable administrative and audit requirements. Any requirement that checks be co-signed by CME Board representatives as set forth in the CME Board resolution referenced in the CME minutes dated March 15, 2010 is hereby superseded until the BIA indicates otherwise. The BIA may provide additional written guidance as necessary; and
- The Project Manager shall report to ET (Bud) Moran, Superintendent, Flathead Agency.

The BIA is reassuming oversight of Project O&M, but intends to preserve local input regarding Project operations. Local input will include regular consultation with the CSKT and the Mission, Jocko Valley and Flathead Irrigation Districts. To that end, Mr. Scott Aikin, Deputy Regional Director, Northwest Regional Office desires to meet with the chairs and legal counsel of these entities and proposes such a meeting take place in Missoula on either January 23 or 24, 2014.

To be clear, the BIA is exercising the “emergency reassumption” provision of the Transfer Agreement in the limited capacity described above. The BIA is taking on an oversight role during this period of uncertainty to ensure that the Project continues to operate effectively. The BIA, however, has had discussions with all affected parties and continues to advocate for a longer-term solution that would keep Project management and operation at a local level. The BIA anticipates communications in the near future that emphasize Interior’s desire to negotiate a local management solution for the 2014 irrigation season and also make clear that, absent such a solution, the BIA will need to take steps to fully reassume Project management and operation.

Staff will be contacting the CSKT and Districts to set up a meeting next week. If you have any questions in the interim, you can contact Mr. Scott Aikin at 503-231-6705.

Sincerely,



Northwest Regional Director

cc: John Tietz, esq.  
Jon Metropoulos, esq.  
Ranald McDonald, esq.  
Reid Perkins, esq.