#### MINUTES

#### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on January 30, 1989, at 8:05 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Carroll South, Staff Researcher, Legislative Fiscal Analyst's Office

Announcements/Discussion: None

#### WATER DEVELOPMENT GRANT PROGRAM COAL SEVERANCE TAX LOANS

Tape 25:A:038

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LAKESIDE WATER DISTRICT, RANKING 20, (no tape), Stoner Creek Road and Woodacres Main Extensions. George Thompson spoke in favor of the project as set forth in EXHIBIT 1. SEN. MANNING (25:A:070) asked for clarification of the project, and asked about the water quality. MR. THOMPSON explained the purpose of the project and said that the water quality was good, although it was hard and corrosive. He said that he hoped that the district wouldn't be affected by the new water quality laws.

SEN. HIMSL asked about the organization of the sewer and water district, and MR. THOMPSON said they were two separate districts with some overlap. SEN. HIMSL asked if General Electric had exercised some authority over the district's ability to borrow additional funds, and MR. THOMPSON said yes. He said that the district had gotten approval for a \$100,000 loan from DNRC during the last session, and subsequently their FMHA loan was sold to General Electric. Even though the loan had been approved, the district had to spend considerable legal fees to prove that it could borrow the money, he added.

SEN. HIMSL asked if the district could meet this level of bonded indebtedness of \$344,000, and MR. THOMPSON said yes, that the district could easily meet loan payments as well as the operating costs with the \$17.00 per month water user fee. He said that the problem would be with the sewer district, for which creative financing was being explored at the present time. SEN. HIMSL commented that an additional \$100,000 would increase their indebtedness significantly. MR. THOMPSON said that the district had been operating under the assumption that the \$100,000 was a grant request, and did not realize that they could only get 25% of the project costs until recently. He said that any amount of grant money would be accepted by the district.

REP. THOFT (25:A:150) asked for clarification about the NRIS program and the Montana Natural Heritage Program (Ranking 5 in Renewable Resource Development Program and Ranking 10 in the Reclamation and Development Program). He specifically wanted to know why there were additional requests for funding this biennium. MS CHENEY said that in anticipation of this question, she had met with Sara Parker, the former State Librarian, before she left. Initially, she said, when the programs were first proposed, there had been talk of a four year start up, followed by a maintenance level to be handled by the library. MS PARKER had indicated in that meeting that she felt a four year start up was somewhat unrealistic to start with in that it was too short a In addition, the library's budget had been reduced time frame. to such a level that MS PARKER didn't feel that the reference people in the library would be able to pick up that function as originally envisioned. NRIS had requested that their current level of staffing be their maintenance level, and Heritage was also requesting that their current staffing level of 4 staff persons be their maintenance level staff.

REP. THOFT explained to the committee that these programs had been funded for two sessions, which was supposed to be the end of the funding. Apparently it wasn't. The committee reviewed the projects submitted by the Montana State Library. REP. BARDANOUVE (25:A:205) stated that they were good projects, providing services and resources to business throughout Montana. REP. THOFT suggested that there was as much danger as good in the projects.

TOWN OF FAIRVIEW, Water Treatment Facility Improvements, (25:A:243).

BRYAN CUMMINGS, Mayor of Fairview, testified for the loan, stating that an SID to pay for the water treatment plant was not possible since the population of Fairview was composed of retirees on low or fixed incomes. He said that they have paid a flat rate ever since the meters had ceased to operate due to sludge. He said that with a moderate increase in the flat rate, they could finance the plant with the loan proposed. He said savings would occur with treatment, and meters could be installed. This would enable the community to manage the water fund more advantageously with a reduction in consumer waste.

BRIAN MILNE, Interstate Engineering, Inc., spoke for the project and discussed its technical aspects as set forth in EXHIBIT 2.

SEN. MANNING (25:A:441) asked if any of the chemicals present in the water rendered it unsafe and MR. MILNE said that the sodium level was a little high. Upon questioning by SEN. HIMSL, MR. HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 3 of 10

MILNE said that there were people, approximately 10% of the population, with their own wells who have indicated that they might hook up with the improved municipal water system. He added that there was no ordinance requiring them to hook up.

REP. DON STEPPLER, House District 21, and SEN. LARRY TVEIT, Senate District 11, spoke in favor of the project.

REP. BARDANOUVE (25:A:520) asked if these bonds were backed by the Coal Trust, and what the effect of capping the trust would be. MR. SOUTH replied that he would get that information for the committee.

<u>CITY OF BOZEMAN</u>, Lyman Creek Water System Improvement, (25:A:560).

BILL FORBES, Director of Public Service, City of Bozeman, testified for the project, stating that Lyman Creek was the oldest source of water for Bozeman, a spring fed source from the Bridger Mountains. He said that it was a surface water, and that with the change in regulatory climate and technology, the city needed to enclose the source, and pipe the water directly to the reservoir. They had completed Phase I, started Phase II, and needed this loan to complete Phase II and III, and thus finish the entire project using the same contractor. He submitted a letter from the mayor, Alfred Stiff, EXHIBIT 3, and introduced Lance Kelley, engineer with the city of Bozeman, and a representative of their consulting engineer.

REP. BARDANOUVE asked for their methods of covering the source, and if it would be a permanent solution. MR. FORBES said they would cover it with a polyethylene flexible floating cover, and that it would have a 50 year life span.

SEN. HIMSL asked how much the city itself was contributing to the project, and MR. FORBES said the city's contribution was approximately 10%.

LAKE COUNTY/BIG ARM SEWER DISTRICT, Big Arm Sewer, (25:B:010). JOHN MONTEITH, Director of the Lake County/Big Arm Sewer District, testified for the loan project as set forth in EXHIBIT 4.

REP. BARDANOUVE asked how much the community was putting up, and where the rest of the money was coming from. MR. MONTEITH said approximately \$1,000,000 was being raised by the community, and that they hoped to get it from grants from the Environmental Protection Agency (EPA) and the tribal EPA group in Denver. REP. BARDANOUVE asked how much the individual household would pay, and MR. MONTEITH said they hoped to get the fee down to a \$20/month user fee.

Regarding the 52 acre site for spray irrigation of effluent, MR. MONTEITH said that it was 1/2 mile away from Flathead Lake. He said that the design called for sealed ponds, with the rate of sprinkler application designed to produce no runoff. He said HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 4 of 10

that the community was negotiating with the state for some state land, and there was private land they could acquire if that option fell through. He clarified that if they could not acquire the state land, they would get a long term lease. With regards to private land, MR. MONTEITH said they would buy it. Concern was expressed by REP. THOFT regarding the possible loss of their disposal area if they were not able to acquire the land.

REP. BARDANOUVE (25:B:115) asked for clarification regarding the acquisition of state land, and suggested calling in the Department of State Lands to determine the policy of the state regarding leases of this type.

REP. BARDANOUVE asked about the level of commitment by the tribe, and MR. MONTEITH said that so far they had a written statement from the tribe in support of the project. The only financial support was expected to come from the \$800,000 to \$900,000 in the EPA Tribal Fund. REP. BARDANOUVE asked about how many of these homes were on tribal land, and MR. MONTEITH said that the percentage was 25%.

SEN. HIMSL asked about the boundaries of the sewer district, and MR. MONTEITH described the boundaries, which included 6 miles of shoreline. He added that the town of Elmo had a sewage system, built by the BIA approximately 15 years ago.

REP. THOFT (25:B:211) asked if the system was being designed with capacity for future development, and PAT TRESSLER, associated with the district, said that EPA was requiring a 20 year design, with population projections for 20 years. He added that the leases under discussion earlier were for 20 years in length, special use permits for the length of time required by EPA.

REP. BARDANOUVE commented that there were a lot of "ifs", and asked when the project would be ready for bid. MR. MONTEITH said that the repayment package would be put to the people in 1989, depending on the amount granted by the tribal EPA Fund, which he expected in 60 days. He said that the bond election would be in June and July of 1989, and thus this loan application would be necessary this biennium.

SOMERS COUNTY WATER AND SEWER DISTRICT, Somers Sewer, (25:B:270). BOB FOLEY, with the Somers Water District, testified for the project as set forth in EXHIBIT 5. Also with him was Morey Grove, the district's operator.

REP. THOFT (25:B:348) asked if there was someone looking at the entire sewage problem on Flathead Lake, and MR. FOLEY said that their discussions were primarily with Lakeside regarding forming one sewer district. MR. GROVE said that there was no regional planning director looking at the whole situation.

REP. BARDANOUVE spoke about the coordinated Lake authority he had fought for, and asked if all users would pay the same rate per month, \$25 per month. MR. FOLEY said yes, and there would be commercial rates. He stated that this was the highest rate the community could bear, with a \$20 per month water fee. These had been figured into their repayment plan.

REP. BARDANOUVE asked about the length of lakeshore involved, and MR. FOLEY said that it was approximately 4 miles, and took in the unsewered areas from Mission View Terrace to Somers, the school and the Ramada.

SEN. HIMSL said that in the Lakeside District, he paid \$34 per month, and asked if the Somers District would pay into the Lakeside District. MR. GROVE said that they would pay a buy in fee to the Lakeside System, a \$185,000 preliminary agreement.

REP. BARDANOUVE (25:B:515) asked what became of the effluent, and MR. GROVE said that the effluent would be used in spray irrigation on 165 acres and more acreage would be bought.

GREEN MOUNTAIN CONSERVATION DISTRICT, RANKING 18, Fire Hydrants for Trout Creek Water System, Water Development Grant Program, (25:B:575). JIM ELLIOTT, House District 51, testified for the project as set forth in EXHIBIT 6.

SEN. MANNING (25:B:651) asked how many people this project would serve, and REP. ELLIOTT said the number was 150 to 200 people, the portion of the residents of the area who live in town.

NOXON COMMUNITY GRAVITY WATER COMPANY, Water System Improvement, Phase I, (25:B:680).

SEN. PAUL RAPP-SVRCEK, Senate District 26, Thompson Falls, spoke on behalf of the Gravity Water Company in its application for a loan. He referred the committee to the pages 58-60 in the book, and said he was making a tentative request for a reduced amount due to the receipt of a block grant of \$360,000 from the Department of Commerce, a Farmers' Home Administration grant. Therefore, he requested the loan amount be considered as \$230,000 rather than \$593,000. At this loan size, the user rates for the system would be \$27.10 per month, an amount in line with the income of the area.

REP. THOFT (25:A:012) asked if this system would be adequate if the development of the mine mentioned by the senator occurred, and SEN. RAPP-SVRCEK said yes.

REP. BARDANOUVE asked if the community had any reserves to put into the project at the present time, and SEN. RAPP-SVRCEK said that was his understanding. The senator also gave his support to the Green Mountain project.

EAST BENCH, Gravity Sprinkler Irrigation #3, (26:A:004). BILL STAUDERMEYER, one of the directors of the East Bench Irrigation District, spoke as set forth in EXHIBIT 7. He introduced Earl Love, who had done the preliminary engineering work on the project. HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 6 of 10

REP. THOFT asked what the district's repayment would be, and MR. STAUDERMEYER said that it was \$16.20. REP. BARDANOUVE asked about differences in figures in the application, the \$366,000 Coal Severance Tax Loan, and the \$431,000 request. MR. STAUDERMEYER stated that MR. KENNEDY had figured a \$65,000 grant to start with, plus the additional loan. If the grant was not approved, it would all become the loan. REP. THOFT asked if the \$16.20 served as a repayment to the \$366,000 or the \$431,000 amount, and MR. STAUDERMEYER said that it served the entire cost.

REP. BARDANOUVE asked if they would pay for the loan with the energy costs they would save by converting to a gravity system, and MR. STAUDERMEYER said that yes, and that \$16 represented the cheapest cost for irrigation in the district. REP. THOFT asked if DNRC had any problem with the security of the loan, and MS CHENEY said that the proposed loan was structured so as to be secure.

<u>CITY OF GLENDIVE</u>, Water Treatment Plant, (26:B:080). <u>LESTER OLLERMAN</u>, Mayor of Glendive, introduced James Kaucher, HKM, consulting engineer, and testified as set forth in EXHIBIT 8. His testimony included three letters of testimony from individuals unable to attend.

JAMES KAUCHER (26:B:144) stated several key points that put the city of Glendive at risk.

REP. BARDANOUVE (26:A:213) asked about the requirement that the city investigate the private bond market. He also asked how close the state's bond market was to the private bond market, and MS CHENEY said that if the city was large enough to get an equivalent rate in the private market, the department encouraged them to do so because of the decreased bonding authority left in the Coal Severance Tax Program. She said the equivalency of the two rates was dependent upon the size of the community and the size of the loan. She said the state's rate was 7.2%, or roughly equivalent to the commercial rate for Glendive without considering the subsidy.

MR. OLLERMAN commented that he had checked on the commercial rate, and found that it would be 7.4% as of the week previous. REP. BARDANOUVE asked if the department had considered using the private bond market, with the subsidy paid by the state as a grant. He said that it would reduce the obligation against the Coal Trust, and result in the same benefit to the community. MS CHENEY said that it would be good idea, especially with the Coal Tax dropping and the resulting reduction in authority. The remaining authority could be saved for the smaller communities that could not compete in the private bond market.

A discussion followed about the remaining bonding authority, approximately \$100,000,000 with \$19,000,000 in projects proposed, and the bonded program in general. <u>CITY OF MILES CITY</u>, Water Treatment/Pre-sedimentation Basin, (26:A:351).

MARK RICHARDSON, Public Utilities Director for the city of Miles City, said that he and Dayton Alsaker, Prairie States Engineering, would testify for Miles City's grant application under the Renewable Resource Grant Program, Water Distribution System Master Plan, ranking 15, as well as their loan application for a Water Treatment/Pre-sedimentation Basin. He referred the committee to page 56 and discussed the loan for the replacement at the water treatment plant of the pre-sedimentation basin, the initial source of treatment to remove suspended solids and turbidity from the Yellowstone River.

SEN. MANNING (26:A:408) asked if the city would have to increase its water rate. MR. RICHARDSON said they have raised the rates already in anticipation from \$13.13 to \$14.71. REP. BARDANOUVE asked what the sewer rate was, and MR. RICHARDSON said it was a variable rate dependent upon the water use, with the minimum set at \$4.18. He said a combined average would be approximately \$24.

MR. ALSAKER (26:A:442) discussed the grant application for the Water Distribution System Master Plan and said that with the upgrade of the system starting over a 20 year period, a master plan was needed. He discussed the technical aspects of the project, referring the committee to page 112 of the book.

SEN. MANNING (26:A:514) asked if he had a reading on the flow pressure, and MR. ALSAKER said that static pressure was 55 to 60 PSI. Regarding the flow pressure, he said that they had data, and the computer model they had developed was accurate.

# PARK COUNTY WATER DISTRICT/GARDINER, Jardine Pressure Zone Improvements, (26:A:567).

PAUL CONCHELLO, SSG Engineering, consultant for the Park County Water District, testified for the project. He said there had been a study performed jointly by his firm and the students at MSU, which identified the major problem in Gardiner as lack of pressure and flow in the Jardine pressure zone area, part of the Gardiner/Park County Water District Distribution System. A moratorium for the past two years had been placed on additional connections to this portion of the system, but there was still insufficient pressure for domestic flow, as well as for fire protection. He said the area was the only vacant land available in Gardiner for expansion, and there was growth pressure on the community. The community had one year's build up of money, which would be applied to the engineering costs for this project.

TOWN OF BROWNING, Wastewater Treatment Facility, emergency application, (26:A:660).

SEN. DELWYN GAGE, Senate District 5, testified for the project and distributed EXHIBIT 9. He said the community had been out of compliance with EPA since 1980 on its sewage treatment facility, and there was a lack of tax base on the reservation for the funding of bonds. He said that the community had received a grant authorization from EPA in the amount of \$644,000 for HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 8 of 10

partial funding. He said that after this year, those grants would no longer be available; therefore, to avail itself of the grant, the community was requesting this loan to provide its match. SEN. GAGE asked the committee to consider as low a rate as possible, stating that the community has had to increase its sewer rate 117% as it was, he said, and without the loan, the increase would be 250%.

REP. THOFT (26:B:001) asked if the residential rate was \$4.20 per month, and MS CHENEY said it would be.

REP. BARDANOUVE asked about the current situation with the sewer system, and MR. BILLMAYER said that the primary problem was biochemical oxygen demand (BOD) and the fecal coliform count. He said that there should be disinfection before discharging into the creek, which was not being done. There was overflow from the four cell lagoon, which discharged into Depot Creek, a tributary of Cut Bank Creek, from which comes the Cut Bank water supply.

REP. THOFT asked about the water rate, and MR. BILLMAYER said that the average was \$5 -\$6.

REP. BOB GERVAIS, House District 9, testified in favor of the project, stating that the town of Browning was an island surrounded by Indian Trust Land. He said that it was thus very difficult for the community to sell bonds without state guarantee.

REP. BARDANOUVE asked if the tribe was supporting the project in any way, and REP. GERVAIS said the tribe referred the town to a number of agencies, including the Indian Health Service (IHS).

JAY BILLMAYER (26:B:068) testified regarding the technical aspects of the project. He said that if this loan did not come through, the town would lose the grant monies from EPA covering 67% of the cost of the project.

REP. BARDANOUVE (26:B:175) asked about the Bureau of Indian Authority (BIA) as a source of funding. MR. BILLMAYER said that they supported housing projects and sewer lines, but they did not contribute to the source. He said that they added to the system, and consequently to the problem. REP. BARDANOUVE asked how much the BIA complex in Browning paid for its sewer services, and MR. BILLMAYER said that the tribal housing, BIA, and the governmental entities on the Browning system comprised 40% of capacity, and paid accordingly.

KATHY MONTFORD, City of Browning, spoke about the rates paid by the people of Browning, which were nearly the lowest in the state. She discussed the local economy and the inability of the community to raise the monies itself.

ANACONDA/DEER LODGE COUNTY, Wastewater Treatment Plan Efficient Disposal, (26:B:250). MILO MANNING, Planning Director for Anaconda/Deer Lodge County, HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 9 of 10

testified for its project. He said they did not want any money at this time. In 1983, after the closing of the smelter, the community was required to build a sewage treatment facility. He said that the EPA had allowed construction of wastewater treatment lagoons in a site, when 50% of the way into the project, arsenic was discovered in the soils. At that time, construction was halted, for fear that the infiltration of the wastewater would drive the arsenic into the ground water. As an interim measure, the community was allowed to revert to their former practice of putting the treated effluent into the Anaconda Mining Company settling ponds until such time that the community could find another way of discharging the effluent.

MR. MANNING said that all alternatives had been studied, and when the applications for a grant and a loan were submitted, they still had not settled on a method of disposing the effluent. For that reason, the applications had been rejected by DNRC. At the present time, the community had decided to build storage ponds for the wastewater, to then be used for irrigation on the surrounding farmland. A farmer had donated a site for the ponds in return for the use of the water for irrigation. In the offseason, the water would be allowed to infiltrate the soil. MR. MANNING said that he would not be asking for money at this time, because the cost for the project so far had been \$4,200,000, for which the local share was \$1,100,00 and had been paid. The estimated cost to complete the project would be \$2,200,000, for which the community's share would be \$500,000, assuming 75% funding from EPA. When the project had been originally funded, the level had been 85% federal funding. If the entire project in its present form could be moved up to 85% EPA funding, the community would not need the money, since it would get the additional money from EPA. MR. MANNING asked that \$500,000 be set aside for the community in case the funding level was not increased to 85%, adding that they probably wouldn't need it.

REP. BARDANOUVE (26:B:338) was not sure of the practice of setting aside money by the committee. MS CHENEY said the committee would have to approve a \$500,000 loan with contingencies.

#### LAKESIDE SEWER DISTRICT, (26:B:360).

MS CHENEY said this was an existing loan, approved in a previous biennium. She said they had some difficulties in their project, and had submitted a request for a change on the loan, with a time extension as well as a deferment of payment for a short period of time up front. MS CHENEY said these changes would have to be written into the bill.

NOEL BARTLETT, Chairman of the Lakeside Sewer District, said they had all but completed the sanitary sewer system project after 25 years of effort. He said that the project went from a \$3,200,000 project to a \$6,300,000 project due to major design changes. They now needed to rewrite their original bond issue which would result in an increase in rates the residents could live with. He stated that at this time, their sewer rate was 70% above the HOUSE SUBCOMMITTEE ON LONG RANGE PLANNING January 30, 1989 Page 10 of 10

state average, and that without this relief, the rate would be 2.5 times the state average. He said they were asking for a 30 year bond issue, with a deferment of payments until March of 1990.

REP. BARDANOUVE asked for clarification of the original loan and its conditions, and MR. BARTLETT replied that the amount had been \$1,190,000, with interest rate of 6.29% for the first 5 years, and 9.26% for the remaining 15 years, and that the loan was one year old.

REP. BARDANOUVE asked how this would be rewritten. MS CHENEY said the bond document would have to be rewritten to extend the loan to 30 years, and to defer the payments until March of 1990.

MR. BARTLETT continued with a description of their rates, and the district's efforts to be as helpful as possible in the construction of Somers' system. MR. BARTLETT described the engineering changes that resulted in the escalation in cost.

ADJOURNMENT

Adjournment At: 11:30 a.m.

M.E. Connelly REP. CONNELLA, Chairperson

MEC/cm

2525.min

# DAILY ROLL CALL

Long Range Planning SUBCOMMITTEE

DATE

1-30-89

NAME .	PRESENT	ABSENT	EXCUSED
Rep. Mary Ellen Connelly, Chair	$\checkmark$		
Sen. Matt Himsl, Vice Chair	$\checkmark$		
Rep. Francis Bardenouve			
Sen. Harry McLane	$\checkmark$		
Sen. Richard Manning	$\checkmark$	<i>.</i>	
Rep. Bob Thoft			
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Form CS-30A Rev. 1985

# LAKESIDE WATER DISTRICT P.O. BOX 121 LAKESIDE, MONTANA 59922

EXHIBIT

HB. Weter Der M

I would like to correct some of the statements about Lakeside that appear in your report. First, we at present have 163 water hookups serving an estimated 400 peaople. 108 are homes using water year around, 23 are summer homes requiring water service less than 3 months per year. We have 21 commercial accounts and 5 churches. Our community has an unusually high summer demand. In 1988, June through August, we pumped 12 million gallons. The remaining 9 months, we have used 6 million.

Nor did this report reflect the financial picture. The water district owes G E Financial Serivce 244,000.00 (FHA loan of 254.000 sold at 54¢ on the dollar in 1988) We borrowed 100,000.00 from DNRC in 1988 to drill a well, bringing the districts indebtedness to 344.000.00. Our average rate in 17.00/month coupled with the Lakeside Sewer District monthly bill of 34.00/month, bringing the monthly bill to 51.00 for both. The district is probably indebted to the limit and the work can only be accomplished by full grants as the amortization fund has not been very flush because of needed repairs and improvements in the old portions of the three systems that were merged into the water district in 1979. In describing the proposed project, replacement would be my choice of words rather than extentions, as no extentions are planned, bringing in no new services or revenue, but it will provide fire service to the Stoner Creek area which is now serviced by 1½ galvinized pipe of undetermined age (about 40 years). The Woodsacres subdivision is serviced by a 2" plastic line installed in 1979 and inadequate for fire protection in that subdivision.

Our entire system is a branch line system and requires shut down of major. portions of the system to effect repairs and we will take the opportunity when

replacing these mains to connect loops to give better service to our customers.

EXHIBIT EXHIBIT\_\_\_\_ DATE\_\_\_\_\_\_ HB\_\_\_\_\_\_ New Trijet

#### PRELIMINARY ENGINEERING REPORT WATER TREATMENT PLANT FAIRVIEW, MONTANA MAY, 1988

THE CITY OF FAIRVIEW IS LOCATED IN RICHLAND COUNTY ALONG U.S. HIGHWAY NO. 200. THE 1980 POPULATION IS LISTED AS 1366. THIS REPORT DISCUSES THE PROPOSED IMPROVEMENTS TO THE CITY'S WATER SYSTEM.

THE CITY'S RAW WATER SUPPLY IS OBTAINED FROM TWO WELLS LOCATED IN THE NORTHERN PORTION OF TOWN NEAR THE CITY PARK. THE WELLS HAVE A CAPACITY OF 400 GPM. ATTACHED TO THIS REPORT IS A COPY OF THE RAW WATER ANALYSIS WHICH IS TYPICAL OF THE WATER SUPPLIED BY THESE WELLS. THE WATER IS VERY HIGH IN IRON AND MAGNESIUM. CITY RECOPRDS INDICATE THE WELLS HAD THE FOLLOWING YEARLY PRODUCTION FOR 1983:

TOTAL YE	ARLY	41,956,000	GAL.
MAXIMUM	DAY	570,000	GAL.
MINIMUM	DAY	62,000	GAL.

THE CITY DOES NOT HAVE METERED WATER SERVICE SO A COMPARISON OF PUMPED WATER AND MATERED WATER CANNOT BE DETERMINED.

THE COSTS TO PRODUCE WATER IN 1983 WERE \$35,404.06 WHICH EQUALS \$.844/1000 GALLONS. THE INCOME REALIZED FROM WATER SALES IN 1983 WAS \$53,544.75 WHICH EQULAS \$1.276/1000 GALLONS. THE SURPLUS REVENUE WAS \$18,140.60 OR \$.432/1000 GALLONS.

THE CURRENT RATE SCHEDULE FOR THE CITY IS A FLAT RATE OF \$9.90 FOR RESIDENTIAL WITH THE COMMERICAL RATE RANGING FROM \$8.80 TO \$14.30.

THE AVERAGE WATER USAGE PER CAPITA IN 1983 WAS 84 GALLONS PER DAY. ASSUMING WITH A BETTER QUALITY WATER THE RATE WILL GO UP TO 100 GALLONS PER CAPITA PER DAY AND USING A RATIO OF AVERAGE DAY TO MAXIMUM DAY OF 1.65, (STANDARD HANDBOOK FOR CIVIL ENGINEERS) THE NECESSARY PRODUCTION RATE SHOULD BE 165 GALLONS PER CAPITA PER DAY. THE CAPACITY OF A WATER TREATMENT PLANT FOR A POPULATION OF 1366 PEOPLE AT 165 GALLONS PER PERSON WOULD BE 156 GALLONS PER MINUTE (GPM). USING AN OPERATING DAY DURING PEAK DEMAND OF 12 HOURS THE PLANT SHOULD PRODUCE 300 GPM. THE CITY'S WELLS CAN PRODUCE 400 GPM SO A WATER PLANT OPERATING CAPACITY OF 300 GPM IS REALISTIC. THE WATER PLANT WILL BE DESIGNED TO USE PRESSURE FILTER VESSELS WITH A GREENSAND FILTER MEDIA, POTASSIUM PERMANGNATE FEED SYSTEM, CHLORINATION EQUIPMENT AND AIR-WATER BACKWASH CAPABILITIES. THE SUPERVISORY AND MOTOR CONTROL SYSTEM FROM THE OVERHEAD STORAGE TANK TO THE WELL CONTROL HOUSE WILL BE UPDATED TO REFLECT CURRENT STANDARDS.

THE PROPOSED IMPROVEMENTS WOULD BE DESIGNED IN ACCORDANCE WITH CURRENT ENGINEERING PRACTICES AND WOULD BE SUBJECT TO REVIEW AND APPROVAL OF THE MONTANA WATER QUALITY BUREAU.

ATTACHED PLEASE FIND A PRELIMINARY COST ESTIMATE:

SHOULD YOU HAVE ANY QUESTIONS OR REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT ME AT ANY TIME.

PRESENTED BY, INTERSTATE ENGINEERING, INC.

20

BRIAN MILNE, R.P.E.

BRM/bdm

## PRELIMINARY ENGINEERING COST ESTIMATE WATER SYSTEM IMPROVEMENTS FAIRVIEW, MONTANA MAY, 1988

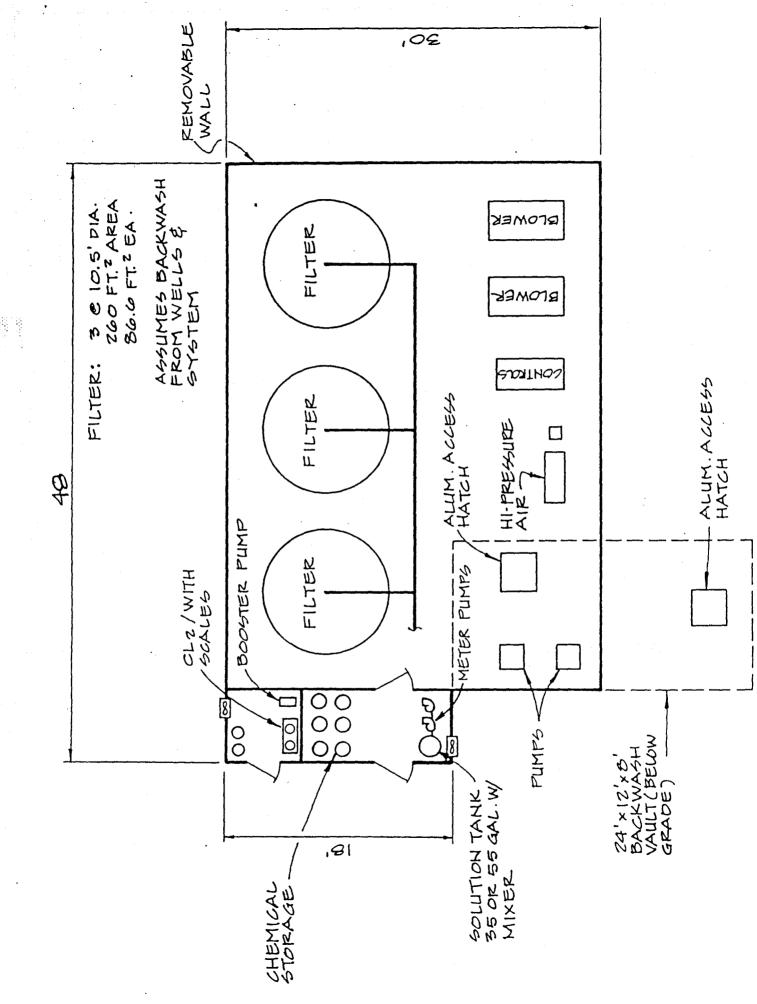
## WATER TREATMENT PLANT

		UNITS	<u>NO.</u>	UNIT PRICE	EXTENDED PRICE
1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	8" PVC WATERMAIN 8" PVC SEWER WTP BUILDING FURNISH EQUIPMENT INSTALL EQUIPMENT PIPING & VALVES BACKWASH BASIN SUPERVISORY CONTROLS TESTING LABORATORY SITEWORK	L.F. L.S. L.S. L.S. L.S. L.S. L.S. L.S.	150 100 L.S. L.S. L.S. L.S. L.S. L.S. ESTIMATI	\$ 20.00 \$ 25.00 \$65,000.00 \$18,000.00 \$18,000.00 \$10,000.00 \$10,000.00 \$15,000.00 \$15,000.00 \$ 2,000.00 \$ 7,000.00 ED BID PRICE CONTINGENCY	<pre>\$ 3,000.00 \$ 2,500.00 \$ 65,000.00 \$ 80,000.00 \$ 18,000.00 \$ 7,500.00 \$ 10,000.00 \$ 10,000.00 \$ 15,000.00 \$ 2,000.00 \$ 7,000.00 \$ 21,000.00</pre>
				CONSTRUCTION MINISTRATIVE	\$231,000.00 \$ 2,400.00
		ES	TIMATED EST ESTIM BOND AD	ENGINEERING IMATED LEGAL ATED PROJECT MINISTRATION PROJECT COST	\$ 36,900.00 <u>\$ 4,700.00</u> \$275,000.00 <u>\$ 8,250.00</u> \$283,250.00

TOTAL REVENUE FOR ACTIVITY

2

Α.	LOAN AMOUNT REQUESTED	\$258,250.00
Β.	CITY FUNDS - WATER DEPARTMENT BUDGET	\$ 25,000.00
	TOTAL PROJECT REVENUE	\$283,250.00



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	THE	CITY	OF	BOZEMAN	
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35 NO. BOZEMAN AVE. CARNEGIE BUILDING P.O. BOX 640 HB\_ Ulst Der PHONE (406) 586-3321

DATE.

BOZEMAN, MONTANA 59771-0640

January 27, 1989

Long Range Planning Subcommittee Water Development & Renewable Resource Development Programs State Capitol Building Helena, Montana

Gentlemen:

The City of Bozeman is requesting additional loan authority to complete all phases of the Lyman Creek Water System Improvement Project. Initial analysis indicated the improvements could proceed only through phased construction. The City was able to take advantage of good prices this season to contract for Phase I and part of Phase II. When the requested \$386,893. loan authority is approved, additional savings should be realized by avoiding further delays and completing all phases of the project during a period when utility contractors are eager to bid on a project of this magnitude.

This letter is written to indicate the City's continuing interest in ensuring a safe, protected water supply for the City of Bozeman with the help of the Coal Severance Tax Loan program. This protected water supply can be realized years ahead of schedule, with obvious benefits for all water consumers.

Thank you in advance for your careful consideration of our request.

Sincerely,

Alfred M. Stiff, Mayor City of Bozeman

EXHIBIT. DATE 1-30-89 HB And Server Hay Loans

1-27-89

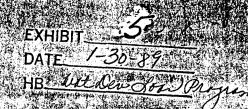
My name is John Monteith and I am a director of the Lake County/Big Arm Sewer District. I am here toady to request your support of our loan application for construction of a municipal sewage collection and treatment system in our community located on Flathead Lake.

The pristine water quality and beauty of Flathead Lake is most likely not a stranger to any of you. The board directors of our district realize the resource we have The board of in Flathead Lake and have been steadily working, for the past 18 months to determine the most cost effective way to minimize contamination by individual septic systems. Briefly, the planning process has involved nearly 6 miles of Flathead Lake Shoreline and some 295 commercial and residential structures. The plan currently being reviewed would collect all sewage effluent in treatment ponds and provide for spray irrigation of hayland or pasture. There would be no discharge of effluent to any surface water. We are very near getting all the loose ends tied up and soon will be putting the project to the people for their approval. This loan application is an integral part of our financing package and would provide us low interest money during startup and a very competitive interest rate for continued operation.

Your favorable consideration of this loan application would be very much appreciated.

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Monteith



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# County Water & Sewer District Box 117 Somers, Montana 59932

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LOAN APPLICATION NARRATIVE FOR

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SOMERS

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# County Water & Sewer District

Box 117 Somers, Montana 59932

#### LOAN APPLICATION NARRATIVE FOR SOMERS SEWER

My name is Robert Foley and I'm one of the Directors of the Somers County Water and Sewer District. Also appearing with me is the Districts Operator-Administrator, Morey Grove.

With the toss of a coin, we were selected to address this committee about the Districts loan application to install a sewer collection and treatment system for the community of Somers and ajoining area.

The town of Somers, located on the North end of Flathead Lake, started as a company town for a large sawmill and railroad tie treating plant at the start of this century. When the sawmill closed in 1948, the company owned land and houses were subdivided into many small sized lots. The majority of these houses, lot combinations were bought by tie plant employee's and retirees from the sawmill and tie plant.

By the time of closure of the B.N. tie treating plant in 1986, the area around Somers and Somers itself, had become a quiet, comfortable location to live in and raise a family. It continues to be the retirement home for former tie plant employees and others who enjoy the friendly community atmosphere.

Flathead County Planning Board's Master Plan has designated Somers as a Rural Service Area for the large rural community surrounding it. This designation is in harmony with the current public services based in Somers. These are a Post Office, Somers Volunteer Fire Department, which has satellite station five miles South in Lakeside and the school. Present enrollment is 276 students with grades 4-8 at Somers and grades 1-3 in Lakeside, the community five miles South of Somers.

Somers County Water and Sewer District was formed in 1981 to gain control of the water system serving the town. The purchase of water interests, owned by B.N. Railroad and a private party, was completed in 1985. The District has an ambitious 1.1 million dollar water system rebuild project starting this Summer. Completion of this modernization project will bring our 70 year old water system into compliance with E.P.A. and Montana Water Quality Bureau Standards.

The present water and sewer District boundary is Area 3 of the map included with this handout.

With the modernization of the Districts water system underway, the Districts Directors, with support of the community, have initiated the lengthy process to construct an area wide sewer system. The need for a sewer system that we can afford is urgent.

The town of Somers is comprized of many very small sized lots. The majority of the lots with homes are experiencing problems with their septic systems and have no septic replacement areas available. These same problems are found in Study Area 2 on the accompanying map. Area 3 has a medium sized motel complex that can only solve its pressing septic problems by hooking into public sewer.

Study Areas 4, 5 and 6 are small sized Flathead Lake frontage lots with many individual septic systems in close proximity of the lake. The land upslope from these lots has long established development that will subdivide further, increasing the number of septic systems.

The sad conclusion is this study area, with its large number of individual septic systems, many that are failing, is contributing to the pollution of Flathead Lake.

The District has started a Sewer Facilities Study to qualify this area for the E.P.A. Construction Grant Assistance Program. To finance the Districts share of cost for this project, we have made a loan request to the Water Development Program offered through the D.N.R.C.

This study area starts with a Southern Boundary of the Northern most boundary of Lakeside Sewer District and has a North boundary at Montana Highway 82, known locally as the Bigfork Cutoff or Highway. The present District direction of accomplishment to provide this sewer system is to install a collection system using portions of Lakeside Sewer Districts existing conveyance force main, lift stations and treatment lagoons. The sharing of operating capacities of selected Lakeside Sewer Districts components reduces the operational and investment costs to both Districts.

A detailed construction cost breakdown for this project will be part of the final report of the Sewer Facility Plan, due by August 1989.

I, or the Districts Operator-Administrator will gladly answer questions pertaining to this presentation on this loan request.

FLATHEAD CITY-COUNTY HEALTH DEPARTMENT

723 5th Ave. E. Kalispell, Montana 59901 Phone 752-5300 Health Services Ext. 343

Sanitation Ext. 350

January 13, 1988

Mike Fraser, P.E. Thomas, Dean & Hoskins, Inc. 6 Sunset Plaza Kalispell, MT 59901

Re: Somers Sewer District

Dear Mike:

The area within the proposed boundaries of the district pose many problems for installation of on site subsurface sewage treatment systems. The proposed district may be broken down into smaller areas for purposes of discussion.

The Somers Townsite area is potentially the most restrictive in terms of suitability for on site systems. The hill upon which much of the town is built has extensive areas of very shallow bedrock. The hill is dotted with many rock outcrops. In addition to the shallow bedrock, much of the area is too steep to permit installation of on site systems.

Much of the low area of the town, particularly the northeast area, has very shallow groundwater (6 feet or less). Consequently, recent replacement systems were required by to very shallow. There are even a few cases where groundwater was shallow enough to require an engineered, mounded system to provide the minimum four (4) foot separation between the bottom of the absorption field and high seasonal groundwater. In some cases, the old absorption fields near the slough do not comply with the current required setback from surface water.

The townsite is typically subdivided into very small lots. Many of the existing sewage disposal systems are cesspools. Due to the lack of available area, replacement with a properly sized system may be difficult at best, if not impossible.

The portion of the district that lies along the lake shore to the south is composed of varying soil types. However, the soils are often gravelly in nature. These soils range from gravelly silts and loams to fine gravels with very little fine grain material. These porous soils are often underlain by compact silt or clay type soils. Springs have been observed during periods of low water coming through these porous soils and surfacing along the exposed shoreline. In some cases, long established development is located upslope from these springs.

Much of the development along the shore precedes local septic permitting requirements. Current separation standards between sewage disposal systems and the lake are likely not found on many lots. Since there is no record of septic systems for the older development (prior to 1969), the components of those systems and Page 2 Mike Fraser, P.E. January 13, 1988

the location of the various components in relation to the lake are unknown. A review of those permits that were issued in this area between 1969 and 1972 revealed that the current minimum separation of 100 feet between the absorption fields and the lake were generally being maintained. However, with very few exceptions, the absorption fields consisted of perforated dry wells bedded in drainrock. These dry wells were often stacked one on top of another which results in very deep disposal fields.

Many of the lots that were developed along the lake shore are very small. Replacement of the septic systems based on current regulations and construction standards may not be possible.

The higher ground above the lake shore generally consists of more compact soil types. Glacial till (cobbly to stoney silts and clays) is common. Steep slopes and shallow bedrock are often limiting factors in permitting new or replacement septic systems. Both of these factors have been the basis for requiring some systems to be designed by a professional engineer.

Due to the method employed for filing septic permits in this office, an actual count of permits issued within the district broundary is not feasible. A great deal of time would be needed to match any given permit with a tract number and then determine if the parcel lies within the district. A general overview of approximately 140 permits issued since 1972 both in and immediately surrounding the district indicate that approximately 50% (67) of those permits were for replacement purposes.

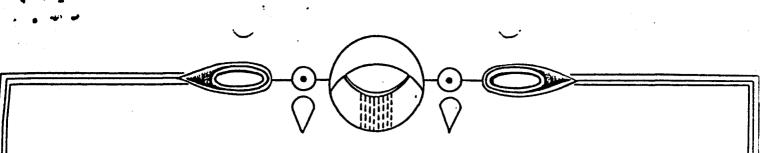
This discussion is intended to highlight problems this office has encountered in the area. Although general in nature without identifying specific tracts of land, this hopefully provides an overall understanding that much of this area simply does not lend itself well to continued use of on site systems for sewage treatment.

Should you have any further questions, please do not hesitate to contact this office.

Sincerely,

Glen Gray, R.S. Flathead County Sanitarian

GG/js



FLATHEAD CITY-COUNTY HEALTH DEPARTMENT 723 5th Ave. E. Kalispell, Montana 59901 Phone 752-5300 Health Services Ext. 343

Sanitation Ext. 350

January 26, 1988

Thomas, Dean & Hoskins, Inc. 6 Sunset Plaza Kalispell, MT

Re: Somers Sewer District, School Addition Road and Ramada Inn Areas.

Dear Mike:

I am offering the following comments in addition to previous comments I made concerning the suitability of the Somers area for continued use of on-site sewage treatment systems.

The area in the vicinity of the school does not have some of the more severe environmental limitations that other areas within the district have. However, in some cases small lot sizes do limit available replacement area of existing systems. This area has many old sewage treatment systems (pre 1969) as this office has very few permits on record and this area is fairly heavily developed. The school itself would require a very large area and appropriate engineering to replace their existing system. The school has undergone a period of gradual growth the past few years with no upgrading of the existing system. This area is served by individual wells which only complicate the replacement issue in terms of being able to ensure proper separation between all wells and sewage treatment systems.

The Ramada Inn has recently experienced a failure of one of their sewage treatment systems. As you know, a short term band-aid solution was provided, but the facility is responsible for completely replacing the failed system. The area to be used as replacement may eliminate all available area for future replacement. Compounding the space limitation problem are the compact soil types and a high seasonal watertable. In my opinion, public sewer is the only long term sewage disposal solution available to this facility.

Although the Southside Townhouses have not experienced sewage disposal problems, the same limitations the Ramada Inn has apply to the townhouse site.

I hope this serves to clarify the situation in these areas as seen from this office. Should you have any questions, please contact this office.

Sincerely,

Glen Gray, R.S. Flathead County Sanitarian JAN 27 1938



#### SOMERS SEWER FACILITY STUDY PLAN AREA

- AREA 1: RAMADA INN STUDY AREA
- AREA 2: SOMERS CENTRAL SCHOOL & SCHOOL ADDITION STUDY AREA
- AREA 3: EXISTING BOUNDARIES OF SOMERS COUNTY WATER & SEWER DISTRICT
- AREA 4: SOMERS BAY

4

- AREA 5: WEST LAKESHORE
- AREA 6: OTTAWA BEACH SOUTH
- NOTE: AREAS 1, 2 & 4 ARE UNDER CONSIDERATION FOR ANNEXATION INTO SOMERS COUNTY WATER & SEWER DISTRICT.

AREAS 5 & 6 PENDING ANNEXATION ELECTION INTO SOMERS OR LAKESIDE COUNTY SEWER DISTRICT. MR. MONTEITH said they hoped to get the fee down to a \$20/month user fee.

Regarding the 52 acre site for spray irrigation of effluent, MR. MONTEITH said that it was 1/2 mile away from Flathead Lake. He said that the design called for sealed ponds, with the rate of sprinkler application designed to produce no runoff. He said that the community was negotiating with the state for some state land, and there was private land they could acquire if that option fell through. He clarified that if they could not acquire the state land, they would get a long term lease. With regards to private land, MR. MONTEITH said they would buy it. Concern was expressed by REP. THOFT regarding the possible loss of their disposal area if they were not able to acquire the land.

REP. BARDANOUVE (25:B:115) asked for clarification regarding the acquisition of state land, and suggested calling in the Department of State Lands to determine the policy of the state regarding leases of this type.

REP. BARDANOUVE asked about the level of commitment by the tribe, and MR. MONTEITH said that so far they had a written statement from the tribe in support of the project. The only financial support was expected to come from the \$800,000 to \$900,000 in the EPA Tribal Fund. REP. BARDANOUVE asked about how many of these homes were on tribal land, and MR. MONTEITH said that the percentage was 25%.

SEN. HIMSL asked about the boundaries of the sewer district, and MR. MONTEITH described the boundaries, which included 6 miles of shoreline. He added that the town of Elmo had a sewage system, built by the BIA approximately 15 years ago.

REP. THOFT (25:B:211) asked if the system was being designed with capacity for future development, and PAT TRESSLER, associated with the district, said that EPA was requiring a 20 year design, with population projections for 20 years. He added that the leases under discussion earlier were for 20 years in length, special use permits for the length of time required by EPA.

REP. BARDANOUVE commented that there were a lot of "ifs", and asked when the project would be ready for bid. MR. MONTEITH said that the repayment package would be put to the people in 1989, depending on the amount granted by the tribal EPA Fund, which he expected in 60 days. He said that the bond election would be in June and July of 1989, and thus this loan application would be necessary this biennium.

SOMERS COUNTY WATER AND SEWER DISTRICT, Somers Sewer, (25:B:270). BOB FOLEY, with the Somers Water District, testified for the project as set forth in EXHIBIT 5. Also with him was Morey Grove, the district's operator.

REP. THOFT (25:B:348) asked if there was someone looking at the entire sewage problem on Flathead Lake, and MR. FOLEY said that

EXHIBIT DATE

Testimony Before the Long-Range Planning Committee Representative Jim Elliott January 30, 1989

TOPIC: Green Mountain Conservation District Grant

#### **PROJECT DESCRIPTION:**

The town of Trout Creek, located 60 miles south of Libby, is provided with fire protection by a volunteer fire department with 3 pumper trucks and 1 fire hydrant. The fire department is requesting grant funds to add 14 fire hydrants to its existing water system. The existing water system consists of one 285 ft. well which produces 350 gpm; one 25 hp submersible pump, one 70,000 gallon storage tank; 6140 ft. of 6-inch main; and 8,280 ft. of 4-inch main.

#### HISTORY:

In April 1986 the Trout Creek Rural Fire District (TCRFD) applied for a water development grant through Green Mountain Conservation District (GMCD). Through confusion on the part of the Conservation District, the application deadline was missed, and the grant was reapplied for - again incorrectly in 1987, and again - this time successfully in 1988.

#### STATUS:

The grant was given a ranking of 18 out of 20 because of:

1) poor technical assessment

2) inability to show sufficient urgency to rank higher The technical assessment was made by the same agency that handled the grant application. The chairman of GMCD is a good engineer, but not a good grant writer. Testimony of Jim Elliott Page -2-January 30, 1989

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I would hope that his inability in this regard would not hamper your deciding in favor of this grant for the Fire District.

As to urgency, most buildings in Trout Creek are wood heated, and buildings lost to chimney fires are not uncommon. I mention this to point out a difference between economic urgency and humanitarian urgency. This is the only proposal, I believe, which has the capacity to safeguard human life and dwellings.

This is one of the smaller grant requests before you. Because of confusion not of their causing, the Fire District is already two years behind in their proposed project. Installation of the 14 hydrants would provide increased fire protection to 85% of the town's buildings. I urge you to grant the full amount requested in this proposal.

JE:bd

# TESTIMONY IN SUPPORT OF GRAVITY SYSTEM NO. 3

Proposed Gravity System No. 3 is the third and final system which can be constructed within the East Bench Irrigation District because of topographic limitations. The lands are in Beaverhead County approximately 12 miles northeast of The project consists of approximatley 7,000 acres of Dillon. of land presently irrigated by sprinkler systems. Transfering water from existing open ditches to pipelines will result in sufficient pressure to eliminate pumps and electric motors. This transfer of water from open ditches to pipelines will save an estimated 4500 acre-feet of water per year and 2770 horsepower of electric energy. The electric energy saved is hydro-electric resulting in additional water savings. The system will consist of approximately 18-miles of pipe-lines with associated meters, valves, gates & other control structures together with 3 traveling screens required to remove debris from the canal water before the water enters the pipelines.

The estimated total project cost is \$4,310,000. Proposed funding is the Federal Reclamation Small Projects program and the Montana Water Development program. Maximum Federal participation is limited to 90% of project cost or \$3,879,000 with the remaining 10% or \$431,000 financed with: a 3%- 30-year loan under the Montana Water Development program. Repayment will be \$16.20 per acre per year at a rate of \$3.13 per acre per year to the State and \$13.07 per acre per year to Federal government for a 30-year period with the full repayment capacity to the Federal Government for an additional 10-years. Repayment ability is limited to existing power and OM&R costs of existing pumps and motors.

The system will provide water to 44 farm units owned by 20 family operators.

Your support will be appreciated

PROPOSED AMENDMENT TO SECTION 85-7-2136 MCA Collection of taxes or assessments

#### PURPOSE

Permit the County Treasurer to designate an employee of an Irrigation District or an Irrigation District Commissioner or Officer as designated in a written request by an Irrigation District Board of Commissioners as Deputy Treasurer for the sole and only purpose of assisting the County Treasurer in collecting Irrigation District assessments as provided in 15-16-102, investing District funds as directed by the Irrigation District Board of Commissioners and assisting the County Treasurer in preparing Irrigation District assessment notices.

#### NEED

The County Treasurers are overworked and are continually being subjected to new duties and responsibilities after every legislative session and audit. This plus computer breakdowns and other reasons have resulted in delays of up to six months in providing Irrigation Districts with status of income and cash balances. Districts have lost thousands of dollars in investments because of lack of information of available cash. There is no daily knowledge of cash flow, cash balances and other financial knowledge needed to operate under todays' environment. Granting Irr-Districts authority to collect assessments permits them to operate in a more business-like manner in addition to maximizing investment return and management of funds. of each month except June and December" for "January 1 of each year".

85-7-2136. Collection of taxes or assessment. (1) On or before the third Monday in August of each year the board of commissioners shall furnish the agent of the department of revenue in each county in which any of the lands of the district are situate a correct list of all the district lands in such county, together with the amount of the total taxes or assessments against said lands for district purposes. The agent of the department of revenue in each county shall immediately thereafter, and prior to the delivery of the assessment book to the county treasurer, cause said assessment roll to be entered in the assessment book of said county for each year.

(2) It shall be the duty of the county treasurer of each county in which any irrigation district is located, in whole or in part, to collect and receipt for all taxes and assessments levied by any such district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102; provided the treasurer shall receive from any taxpayer, at any time, the amount due on account of any district

#### 85-7-2137

#### WATER USE

assessments of any kind, whether other taxes on the same real estate are paid or not When any real estate on account of which such district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of such district tax or assessment, together with the penalty and interest to date of payment on such installment; provided that such payment shall not be deemed a redemption of said property from such tax sale but shall be credited on account of any redemption that may thereafter be made. In case of any payment pursuant to this subsection, a separate tax receipt shall issue showing exactly what assessments have been paid and shall show that no other tax on said real estate has been received by said treasurer; provided such county treasurer shall not collect or receive or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any irrigation district upon which an assessment for the purposes of such irrigation district has been levied unless the assessment levied for such irrigation district purposes be paid as herein permitted and the receipt therefor presented to the county treasurer at the time such taxes are paid, or paid at the same time.

History: (1)En. Sec. 54, Ch. 146, L. 1909; amd. Sec. 2, Ch. 96, L. 1919; re-en. Sec. 7240, R.C.M. 1921; re-en. Sec. 7240, R.C.M. 1935; amd. Sec. 1, Ch. 14, L. 1945; amd. Sec. 65, Ch. 391, L. 1973; Sec. 89-1812, R.C.M. 1947 (2)En. Sec. 1, Ch. 71, L. 1923; amd. Sec. 1, Ch. 73, L. 1935; re-en. Sec. 2172.1, R.C.M. 1935; amd. Sec. 1, Ch. 188, L. 1943; Sec. 84-4108, R.C.M. 1947; R.C.M. 1947, 84-4108(part), 89-1812.

**Cross-References** 

Delinquency sale, 35-1-604.

Proceeds of certain bonds, 85-7-2141.

85-7-2137. Failure to levy or collect tax or assessment. In the event that for any reason a special tax or assessment provided for cannot or may not be levied and collected in time to meet any interest falling due on any bonds issued, the board of commissioners shall provide for and pay such interest when due, either out of any of the funds in hand in the treasury of the district not otherwise appropriated or by warrants drawn against the next district tax or assessment levied or to be levied. These warrants shall be in addition to those mentioned in 85-7-2001.

738

Glendive, Montana 59330

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Phone (406) 365-3318 300 South Merrill

EXHIBIT DATE 1-30-89

January 27, 1989

Representative Mary Allen Connelly Chairperson Long Range Planning Subcommittee Helena, MT 59601

ATTENTION: CHAIRPERSON MARY ALLEN CONNELLY AND COMMITTEE MEMBERS I COME BEFORE THIS COMMITTEE THIS MORNING REPRESENTING THE CITY OF GLENDIVE, THE CITY COUNCIL AND OUR WATER USERS. OUR CITY WATER TREATMENT PLANT HAS NUMEROUS DEFICIENCIES COVERING VARIOUS COMPONENTS OF THE TREATMENT PROCESS. SOME OF THE BUILDINGS AND EQUIPMENT GO BACK TO THE YEAR OF 1929. THE LATEST UPDATE TO THE SYSTEM WAS COMPLETED IN 1959.

IN ADDITION TO THE CONDITION OF OUR PLANT DUE TO AGE AND USE, ARE THE EPA AND WATER QUALITY BUREAU MANDATES. WE ARE UNDER A COMPLIANCE SCHEDULE TO COMPLETE A TREATMENT PROCESS FOR THE SLUDGE MATERIAL THAT IS NOW BEING RETURNED TO THE YELLOWSTONE RIVER WHICH IS OUR SOURCE OF WATER SUPPLY. THIS WAS DESIGNED IN 1980, BUT MUST BE COMPLETED WITHIN THE NEXT YEAR TO MEET OUR COMPLIANCE SCHEDULE. THIS ALONE HAS A COST OF ABOUT ONE MILLION DOLLARS. ALSO, THROUGH A PILOT STUDY AND OTHER STUDIES, IT HAS BEEN DETERMINED THAT WE DO NOT MEET THE REQUIREMENTS OF THE RECENT CLEAN WATER ACT. WE HAVE THESE MANDATES, BUT NO FUNDS TO COMPLY. THE ECONOMIC CONDITIONS WE FACE ARE LIKE NUMEROUS OTHER MUNICIPALITIES. WE HAVE SEEN AN OIL BUST IN OUR END OF THE STATE PLUS SEVERAL YEARS OF DROUGHT. AS AN EXAMPLE, THE 1980 CENSUS REPORTED WE HAD 37% OF OUR POPULATION WERE BELOW THE LOW TO MEDIAN INCOME. LAST JULY WE CONDUCTED A SURVEY FOR A CDEG GRANT AND FOUND THIS FIGURE IS NOW 65%. WE HAVE LOST

# Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930 Glendive, Montana 59330 Phone (406) 365-5601

January 27, 1989

Mary Allen Connelly Chairperson Long Range Planning Subcommittee

Dear Committee Members:

I am writing on behalf of the Board of Directors of the Glendive Area Chamber of Commerce and Agriculture and myself regarding the project evaluation and recommendation of the loan request for the Glendive Water Treatment Plant.

Your favorable consideration would assist our city in upgrading our present facility, which is of vital importance not only to the people of Glendive but economic development as well.

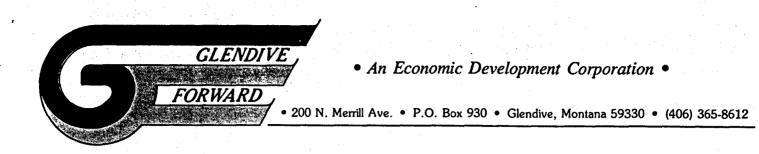
A depressed economy has taken its toll on many Eastern Montana cities and this would give Glendive a chance to open the doors for new business and industry ventures with a completed and revitalized water facility.

Thank you for your time and consideration given to this matter.

Sincerely,

Kathy Nédens' Executive Director

KN:jc



January 27, 1989

Mary Allen Connelly Chairperson Long Range Planning Committee

Dear Members of the Long Range Planning Committee:

Glendive Forward as a local development organization is vital concerned about the continuing efforts being made in our community towards progress and revitalization.

We fully support the efforts of the City of Glendive and ask that you give ever consideration to their request.

This community is determined to move forward in a positive way rather than be discouraged by current economic conditions. This resourcefulness and determination reflect the quality of people in Eastern Montana. We take pride in our ability to retrench and move forward in times of adversity.

We urge you to give every consideration to the request of funds being made by the City of Glendive and Mayor Les Ollerman.

Sincerely,

Kathy Span

Kathy Sparr Executive Director

KS:jc





A Division of MDU Resources Group, Inc.

113 West Towne Street P.O. Box 201 Glendive, MT 59330

4

January 27, 1989

Mary Allen Connelly - Chairperson Long Range Planning Subcommittee for DNRC Loans Helena, MT

Dear Ms. Connelly:

The City of Glendive is working diligently to upgrade their water treatment facilities and address their sludge disposal problem. The preliminary studies, pilot plant experience and initial plans are complete and they are now into the financing stage. It is imperative that consideration be given Glendive's application for a DNRC loan in the amount of \$4,075,000.

Montana-Dakota Utilities Co. is a water user, but more importantly recognizes the paramount need for an adequate supply of high quality water as an aid in attracting and retaining many business entities. City insurance rates are based partially on adequacy of water for fire-fighting also. The long term benefits of improving the city's water supply are numerous and we would hope that your committee will look favorably on Glendive's loan application.

Sincerely,

MONTANA-DAKOTA UTILITIES CO. A Division of MDU Resources Group, Inc.

L. R. Erickson Glendive Division Manager

LRE:st cc: Mayor Les Ollerman - Glendive

# EXHIBIT 7 DEPARTMENT OF DATE 1-30-89 HEALTH AND ENVIRONMENTAL SCIENCES Unt Development WATER QUALITY BUREAU A-206 STAN STEPHENS, GOVERNOR COGSWELL BUILDING

FAX # (406) 444-2606

January 19, 1989

Merlin Crawford, Mayor Town of Browning Box 485 Browning, MT 59417

#### RE: MT-0023477

HELENA, MONTANA 59620

Dear Mayor Crawford:

The Town of Browning's wastewater treatment facility is presently unable to consistently meet the discharge limitations and conditions of the above referenced wastewater discharge permit. Construction improvements are needed at the facility in order to comply with the permit.

The Federal Clean Water Act statutory deadline for municipal waste treatment facilities to be in compliance with National Secondary Standards in their waste discharge permits was July 1, 1988.

Since the Town has failed to meet this date, we are preparing to pursue issuance of a court-ordered compliance schedule resulting in completion of the necessary construction. We will be contacting you in the near future regarding this order and compliance schedule. In the meantime, we would suggest that the Town work with it's consulting engineer to do whatever is necessary to complete the required upgrading of the wastewater treatment plant in the shortest possible time.

If you have any questions, feel free to call me at 444-2406.

Very truly yours,

Atom L. Tilcher

Steven L. Pilcher, Chief Water Quality Bureau Environmental Sciences Division

SLP:FCS:dd/305.S

cc: Jay Billmayer, P. E. EPA Greg Wermers, DNRC WDB



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

#### **REGION VIII**

999 18th STREET-SUITE 500

#### DENVER, COLORADO 80202-2405

Ref: 8MO

#### SEP 1 5 1988

Honorable Merlin Crawford Mayor of Browning P. O. Box 458 Browning, Montana 59417

#### RE: Federal Sewage Works Grant C300248-94 (Step 2+3) Browning, Montana

Dear Mayor Crawford:

Enclosed are five copies of Grant Amendment No. 2 increasing your grant by \$200,671.00 from \$404,340.00 to \$605,011.00. This increase has been approved by the Montana Department of Health and Environmental Sciences and this office.

This amount is to cover the federal share of the eligible amount of construction costs and construction engineering fees.

The revised project costs and payment schedule are included in the amendment. The project and budget periods have also been extended.

This is an administrative action and does not relieve the Town of Browning from its responsibilities under its MPDES permit.

Please sign and date all five copies of the enclosed agreement, retain one copy for your files, and return by certified mail within three weeks, the original and three copies to the Montana Department of Health and Environmental Sciences, Water Quality Bureau, Cogswell Building, Room A-206, Helena, Montana 59620.

Sincerely,

erigan D. Clough for James J. Scherer

Regional Administrator

#### Enclosures

cc: Steven L. Pilcher, WQB/DHES Billmayer Engineering, Kalispell

# Table 1

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# TOWN OF BROWNWING

# FINANCIAL REQUIREMENTS-SEWER IMPROVEMENTS

<u>Required Revenues</u>	<u>Dollars</u>
Total Local Share	\$447,014.00
Annual Repayment - Principal & Interest (20 Year Loan at 10% Interest)	52,506.00
Annual Audit Costs	1,600.00
Annual Operation and Maintenance	40,000.00
Total Annual Costs	94,106.00
Total Monthly Revenue Required	7,842.00
Current Monthly Revenue	3,613.00
Percent Increase = <u>7842 - 3613</u> (100) = 117% 3613	

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# Table 2 CURRENT SEWER

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## RATE STRUCTURE

User Class	No. Of Users	No. Of Equivalent Users	Monthly User Base Rate	Total Monthly Revenues
Residential	1543	1543	\$ 1.93	\$2,983.00
Commercial	100	394	4.85	485.00
Schools	17	82	5.93	100.81
Hospital	2	36	22.14	44.28
Total	1662	2055		\$3,613.09

Annual Revenue \$43,356.00

## REQUIRED SEWER

RATE STRUCTURE

User Class	No. Of Users	No. Of Equivalent Users	Monthly User Base Rate	Total Monthly Revenues
Residential	1543	1543	\$ 4.20	\$6,474.67
Commercial	100	394	10.53	1,052.67
Schools	17	82	12.87	218.87
Hospital	2	36	48.04	96.08
Total	1662	2055		\$7,842.25
		·		1 60/ 017 00

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Annual \$94,017.00

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# TOWN OF BROWNING

# SEWER UTILITY

# FINANCIAL HISTORY

<u>Sewer Revenue</u> July 85 - June 86 July 86 - June 87

July 87 - June 88

<u>Total Revenue</u>
\$38,528.00
\$35,633.00
\$43,358.00

# CURRENT SEWER

# RATE STRUCTURE

User Class	No. Of Users	No. Of Equivalent Users	Monthly* User Base Rate	Total Monthly Revenues
Residential	1543	1543	\$ 1.93	\$2,983.00
Commercial	100	394	4.85	485.00
Schools	17	82	5.93	100.81
Hospital	2	36	22.14	44.28
Total	1662	2055		\$3,613.09

#### DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION RENEWABLE RESOURCE AND WATER DEVELOPMENT PROGRAMS

## **PROJECT BUDGET FORM**

## I. CONTRACT ADMINISTRATION

## A. Employee & Contracted Personnel

Position Titles (list is not intended to be inclusive) Please indicate wages and allocation of time for each project position.	DNRC Grant	Non- DNRC	Total	Funding Source (if not DNRC)
Administrator/Project Manager	\$ 11,000.	\$ 1,000.	\$ 12,000.	EPA
Accountant		ļ		
Attorney	3,000.	+	3,000.	
Bond Counsel	2,000.		2,000.	······································
Fringe Benefits				
Subtotal Salaries and Benefits	\$ 16,000.	\$ 1,000.	\$ 17,000.	EPA
Associated Costs (list is only an example)				
Office Rent	\$ 6,000.	\$	\$ 6,000.	
Equipment Rent, Lease, or Purchase		<u> </u>		
Utilities				
Communications				
Supplies	250.		250.	
Travel	750.		750.	
Other (specify)				
Subtotal Associated Costs	\$ 7,000.	s	\$ 7,000.	
TOTAL CONTRACT ADMINISTRATION COSTS	\$ 23,000.			EPA

# II. PROFESSIONAL/TECHNICAL COSTS

#### A. Employee & Contracted Personnel **Position Titles** Funding (list is an example only) Source Please indicate wages and DNRC Non-(if not allocation of time for each project position. Grant DNRC Total DNRC) \$ 19,912. \$ 33,819. \$ 53.731. EPA Project Engineer Hydrologist \_\_\_\_\_ Soils Engineer \_\_\_\_\_ Project Inspector 18,678. 31,722. 50,400. EPA . Fringe Benefits \$ 38,590. \$ 65,541. \$ 104,131. Subtotal Salaries and Benefits **B. Associated Costs** (list is an example only) Laboratory Costs \_\_\_\_\_ s s S Travel \_\_\_\_\_ (All associated costs Communications included in contract Printing \_\_\_\_ amounts indicated above) Supplies \_\_\_\_ Equipment Rent, Lease, or Purchase \_\_\_\_\_ Other (specify) \_\_\_\_\_ ٠ Subtotal Associated Costs \$ \$ \$ \$ 38,590. \$ 65,541. \$104,131. TOTAL PROFESSIONAL/TECHNICAL COSTS

#### III. CONSTRUCTION COSTS

(list is an example only)

	DNRC Grant	Non- DNRC	Total	Funding Source (if not DNRC)
Labor	\$	\$	\$	
Equipment Construction Bid	299,417.	508,541.	807,959.	EPA
Land or Structure Aquisition				
Materials				
Other(specify) Inflation adj. @7%on bid	20,959.	35,598.	56,557.	EPA
Subtotal Construction Costs	<b>\$</b> 320,376.	<b>\$</b> 544,131.	<b>\$</b> 864,516.	
Contingency for unexpected costs (10%) _5%	16,019.	27,206.	43,276.	
TOTAL CONSTRUCTION COSTS	\$336,394.	\$571,337.	\$907,742.	

0		DNRC Grant	Non- DNRC	Total	Funding Source (if not DNRC)
IV.	FINANCING COSTS Interest During Construction: If you anticipate beginning construction following legislative approval but before state bond pro- ceeds become available you may need a short term loan. Consult a financial institution for an interest estimate. Interest on this short-term note is an al- lowable project cost. 1%/mo - 8 mts.=.08				
	TOTAL INTEREST DURING CONSTRUCTION	\$ 31,838.	the second s	\$ 31,838.	
V.	PROJECT COST (Sum of I, II, III & IV)	\$ 429,822.	\$ 637,878.	1,067,700. \$	EPA
VI.	INFLATION CONTINGENCY An inflation contingency of up to 6 percent per year may also be included as a project cost. (This is an average inflation rate forecast).				
	TOTAL INFLATION CONTINGENCY 1%	\$ 4,298	<b>\$</b> 6,379.	\$ 10,677.	
VII.	<b>BOND ADMINISTRATION</b> A fee for servicing the loan and to share the costs for the state bond sale. Enter 3 percent of item V (Project Cost). TOTAL BOND ADMINISTRATION FEE	\$ 12,894	s _0_	\$ 12,894.	
VIII.			. <b>\$</b> 644,257.		EPA
IX.	TOTAL REVENUE FOR ACTIVITY				
	A. DNRC Revenue Loan Amount Requested* Grant Amount Requested** Subtotal DNRC funding		\$ <u>447</u> \$	7,014.00 -0- \$_447,01	4.00
	B. Other Funding Sources: List and specify grant or loan				
	EPA GRANT		\$64	14,257.00	
			\$ \$		
	Subtotal other funding sources		₽	\$ 644,25	57.00
	C. TOTAL PROJECT REVENUE:				<u>\$1,091,271</u>

- C. TOTAL PROJECT REVENUE:
- \* If you apply for a DNRC grant for a water project you cannot request more than a \$200,000 loan. Loans for non-water related projects cannot exceed \$100,000.
- \*\* If you want a DNRC grant, you must also complete a grant application. Grant requests cannot exceed \$100,000 or 25 percent of the total cost of the project.



An investment firm you like to tell your friends about.

June 13, 1988

Mayor Merlin Crawford Town of Browning P.O. Box 458 Browning, MT 59417

RE: Proposed town of Browning Sewage System Revenue Bonds

Dear Mayor Crawford:

Davidson & Co. was retained by the town D.A. of Browning in the capacity of financial advisor to assist in the public sale of the above referenced The proposed issue is to be repaid from user issue. fees charged for sewer services. We have analyzed various factors affecting the marketability of the including demographics, bonds location the on reservation, major users, and other issues typically examined for the issuance of revenue bonds.

Following our analysis, it our opinion that due to various demographic factors, the proposed bond issue is not publicly marketable. As you are aware we have previously discussed this issue with the town, however, should you have any questions or comments regarding this issue please do not hesitate to contact this office.

Very truly yours,

Kreg A. Jones Assistant Vice President

KAJ:lda

cc: Farmers Home Administration District Office Attn: Ms. June Miller

> Mr. Jay Billmeyer Billmeyer Engineering

ITEM Z



Davidson Building P.O. Box 5015 Great Falls, Montana 59403

(406) 727-4200

Offices: Billings, Bozeman, Butte, Havre, Helena, Kalispe Missoula, Montana; Coeur d'Alene, Lewis Moscow, Idaho

Corporate Office: Davidson Building Great Falls, Montana 59401

Members: Midwest Stock Exchange Inc. Pacific Stock Exchange Inc. Securities Investor Protection Corp.

# **BILLMAYER ENGINEERING**

MANGER DECEMBER POLICIAL

211BHH 16 HI CAN

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TOWN OF BROWNING

SEWAGE HIRRAY MENTS PACIFICATION PROVEMENTS

JANUARY 1989

2191 Third Avenue East • Kalispell Montana 59901 • (406) 257-8708

VISITOR'S REGISTER

1012

SUBCOMMITTEE -30-89 DATE

AGENCY (S)

DEPARTMENT Ulation de nto

NAME	REPRESENTING	SUP- PORT	-
Richard Miller	Montana State Library	_	
BRYAN M. CUMMING	CITY OFFAIRVIED		
Jim Elliolt	HDTI		
George Thompson	LAKESIDE WATER	1	
BRIAN Milwe	INTERSTATE ENG.		
MARK Richardson	City of Miles city	-	
Jan Kunhelly	5/5/6		
Dayton Alsoken	Prairie States Engr. / Milelit		
John Montesta	Big arm/Lake Co. Server Dist	1	
Oprice Kelly	City of Bozeman		
hothy Wallingtors	Town of BROWNING		
Bob Foley	Town of Somers		·
Money D. & none	Town of Somers tomers gounty water & server pistict	ļ	
Fari Love	East Bonch Irr. Dist	ļ	
Bill Standermunger	aust Benck Lin, Dist.		
Fhillip J. Forbes	City of Bozeman	V	
James & Kauchen	City of Glandin	~	
thes Ollemon	C. YY OF GLENDINE		1
Den Steppler	Dist 21 (Farmine)	~	1
Milo MANNING	ANALUNDA - Deen LUDGE Co.		<u> </u>

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

FORM CS-33A Rev. 1985