

EXHIBIT 31  
DATE 3-21-05  
HB 11

ESSEX WATER AND SEWER DISTRICT  
ESSEX MT

Board Members  
Carol Sauby Chair  
John Hammet  
Kenny Johnson  
Larry Vieulleux  
John Beer Sec.

March 21st 2005

HONORABLE REPRESENTATIVES of the  
Appropriations Committee of the  
House of Representative 2005 Session  
Of the Montana Legislature

**RE: Funding the Essex Potable Water System Project**

**The Essex Water and Sewer District is requesting that the \$225,000 TESP GRANT, it qualified for in the 2003 Session, and Struck in HB11 be restored.**

**The Department of Environmental Quality is in the process of obtaining a Court Order to require the Water and Sewer District to provide a system that meets State and Federal Requirements.**

**Restoring the funds and using proposed matching funds and a RRGL Grant from the 2007 Session will allow a revised system to be constructed to meet the minimum requirements (see the attached map and documentation).**

**According to the Department of Environmental Quality, the Essex Water and Sewer Districts Water System is the last remaining water system using untreated surface water in the State of Montana, which is against Federal and State Regulations.**

The District was informed of this action in January and has been trying to find funds to meet the minimum requirements of developing a new source and connecting it to the existing system.

The 2003 Project cost of \$827,000 and the small user base creates a large grant expenditure per user so additional grants have been difficult to obtain. Some additional funding has been found, so the District is proposing to do the project in a series.

Due to a collapse line or plugged line the BNSF railroad facilities are operating on 1 gpm, which is not adequate to meet their sanitary requirements or Fire Fighting Requirements.

Essex is the only water system having capability of furnishing water to fight fires in the 56 miles from East to West Glacier, which is critical for forest fires and the railroad requirements..

The Water System is over 60 years old

It consists of:

7000 ft of 6 inch Steel Plastic and Possibly Wood Pipe Buried approximately zero to 2 feet deep.

1000 feet of 6 inch cast iron main.

4000 feet of ¾ inch water main buried 1 to 2 feet deep.

One stream crossing that is elevated 3 feet

The system is kept from freezing by running water in the main lines.

Normally the 4 feet of snow cover helps keep the system from freezing.

One obsolete chlorinator

**None of the system meets Current State Regulations**

**Thank you for your consideration**

**Essex Water and Sewer District**



**John Beer  
Secretary**

**John and Pat Beer**

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**From:** "John and Pat Beer" <jbeer@imt.net>  
**To:** "Jim Edgecomb" <jedgcomb@state.mt.us>  
**Sent:** Monday, March 07, 2005 4:13 PM  
**Attach:** ADMINISTRATIVE AND ACTIVITY COST2.xls; ADMINISTRATIVE AND ACTIVITY COST2.xls;  
FINAL LARGEPROPOSED PLAN3 copy.jpg  
**Subject:** Essex TSEP GRANT

Jim I am attaching a copy of the engineering estimate and Administration and Activities and project phase plan.

We are working on the BNSF Grant and Larry Veilleux, Isaaq Walton Owner has agreed to Participate and I discussed the RRGL Grant with Bob Fischer and he thought it would be a plausible project.

We will be having a board meeting in May and a Public meeting in June to kick this off.

Please contact Larry at 888 5700 or

Hammett John F 1215 SUNNYSIDE DR

KALISPELL 59901  
MT

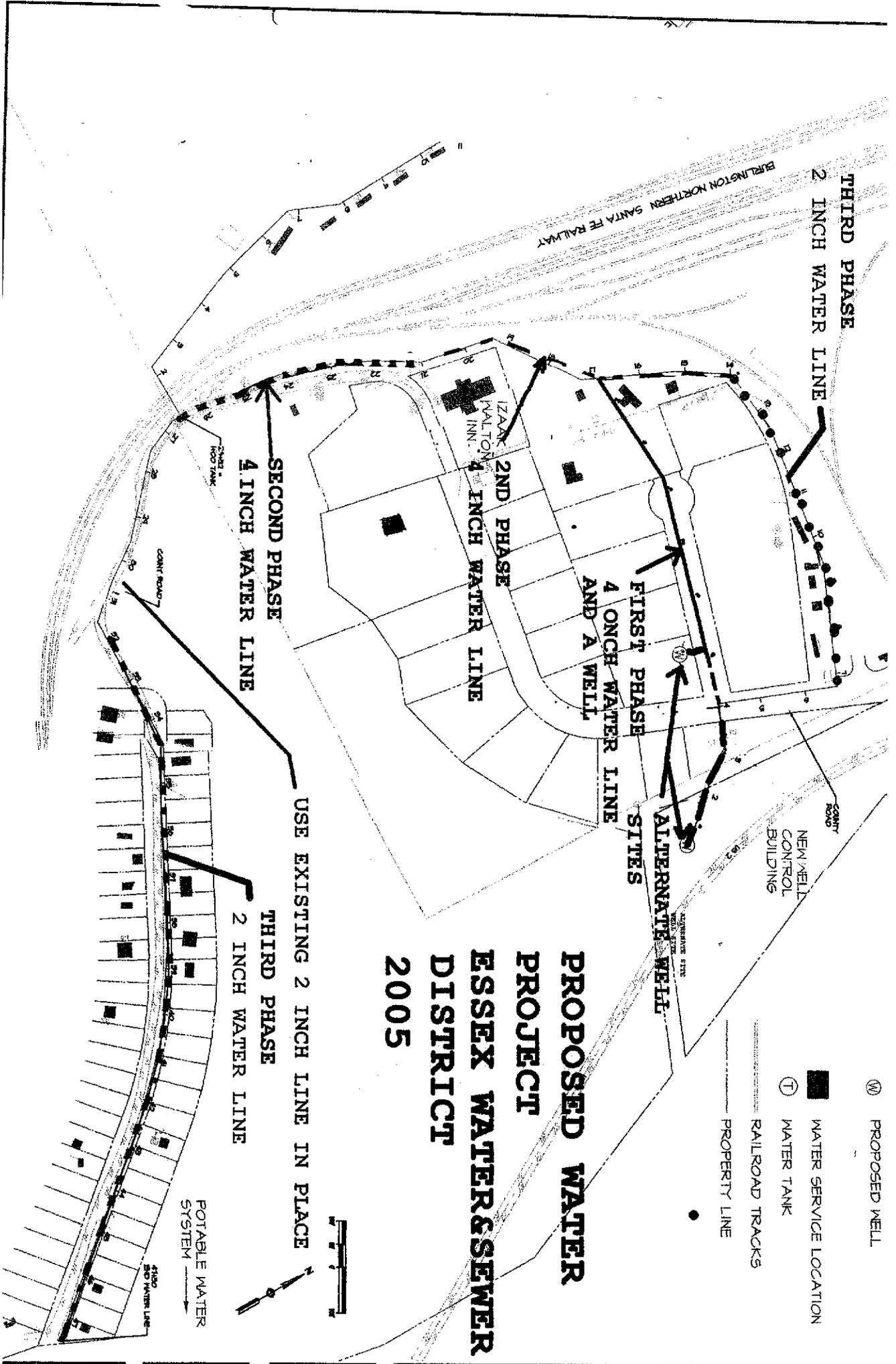
as I am gone from the 10th till the 17 th.

I will call you tomorrow morning and other wise get my on my cell 406 788 8656

Thank you

John Beer

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THIRD PHASE  
2 INCH WATER LINE

2ND PHASE  
4 INCH WATER LINE

FIRST PHASE  
4 ONCH WATER LINE  
AND A WELL

SECOND PHASE  
4 INCH WATER LINE

USE EXISTING 2 INCH LINE IN PLACE  
THIRD PHASE  
2 INCH WATER LINE

**PROPOSED WATER  
PROJECT  
ESSEX WATERSEWER  
DISTRICT  
2005**

- ⊗ PROPOSED WELL
- WATER SERVICE LOCATION
- Ⓧ WATER TANK
- RAILROAD TRACKS
- PROPERTY LINE

POTABLE WATER  
SYSTEM

4 INCH WATER LINE

BURLINGTON NORTHERN SANTA FE RAILWAY

IZAAK WALTON INN

NEW WELL CONTROL BUILDING

ALTERNATE WELL SITES

COUNT ROAD

COUNT ROAD

COUNT ROAD



ESSEX WATER & SEWER DISTRICT 2005-2007 WATER PROJECT

ADMINISTRATIVE AND ACTIVITY COSTS									
	SOURCE	ESSEX RESERVE	ESSEX INCOME	SRF LOAN	TSEP GRANT	ISSAC WALTON GRANT	BNSF GRANT	RRGL	TOTAL
ADMINISTRATIVE									
FINANCIAL COSTS									
PERSONNEL COSTS			\$ 1,500.00						\$ 1,500.00
OFFICE COSTS									\$ -
PROFESSIONAL SERVICES			\$ 2,000.00		\$ 2,000.00				\$ 4,000.00
LEGAL COSTS			\$ 500.00		\$ 500.00				\$ 1,000.00
AUDIT FEES									\$ -
TRAVEL & TRAINING			\$ 500.00		\$ 500.00				\$ 1,000.00
LOAN FEES									\$ 2,500.00
LOAN RESERVE		\$ 2,500.00							\$ -
INTERIM INTEREST			\$ 5,000.00						\$ 5,000.00
BOND COSTS			\$ 1,000.00						\$ 1,000.00
GRANT APPLICATION(RRGL)									\$ -
TOTAL ADMIN/FIN COSTS		\$ 2,500.00	\$ 10,500.00		\$ 3,000.00	\$ -			\$ 16,000.00
									3%
ACTIVITY COSTS									
ROW-Easements			\$ 2,000.00						\$ 2,000.00
Preliminary Engineering									\$ -
Final Engineering	\$ 40,000.00		\$ 11,000.00		\$ 3,500.00				\$ 49,000.00
Construction Inspection	\$ 570.00		\$ 570.00		\$ 3,500.00	\$ 10,000.00	\$ 500.00	\$ 4,000.00	\$ 20,000.00
Construction Contingency	\$ 100.00		\$ 100.00		\$ 215,000.00	\$ -	\$ 25,000.00	\$ 86,000.00	\$ 349,400.00
CIP Preparation				\$ 12,000.00		\$ 10,000.00	\$ 4,500.00	\$ 10,000.00	\$ 31,940.00
TOTAL ACTIVITY COSTS	\$ 40,000.00	\$ 13,670.00	\$ 13,670.00	\$ 12,000.00	\$ 222,000.00	\$ 20,000.00	\$ 30,000.00	\$ 100,000.00	\$ 452,340.00
TOTAL PROJECT COSTS	\$ 42,500.00	\$ 24,170.00	\$ 24,170.00	\$ 2,300.00	\$ 225,000.00	\$ 20,000.00	\$ 30,000.00	\$ 100,000.00	\$ 488,340.00
Percent of Total Project Costs	9%	5%	5%	3%	48%	4%	6%	21%	

\$ 40,000.00 \$ 13,670.00 \$ 12,000.00 \$ 222,000.00 \$ 20,000.00 \$ 30,000.00 \$ 100,000.00 \$ 452,340.00

\$ 16,000.00  
 \$ 2,000.00  
 \$ 54,500.00  
 \$ 18,570.00  
 \$ 326,100.00  
 \$ 36,500.00  
 \$ 437,670.00  
 \$ 453,670.00  
 \$ 453,670.00

**ESSEX, 2005 PROPOSED WATER SYSTEM IMPROVEMENTS**

ITEM	UNITS	COST PER UNIT	COST	ESSEX WAS DISTRICT INCOME	ESSEX WAS DISTRICT RESERVE FUND	ZAAC WALTON GRANT	BNSF GRANT	RRLG	SRF LOAN	TSEP	REMAINING TSEP
<b>INITIAL PHASE</b>											
EMERGENCY GENERATOR	EA	30,000.00	\$ 30,000.00								
VALVE	LF	120.00	\$ 28,800.00								
TESTING	EA	5,000.00	\$ 5,000.00								
WELLHOUSE	EA	50.00	\$ 50.00								
ELECTRON TANKS	EA	600.00	\$ 600.00								
ELECTRON TANKS	EA	5,000.00	\$ 5,000.00								
4 INCH WATER MAIN	LF	30.00	\$ 45,000.00								
PAVEMENT REPLACE	LF	10.00	\$ 10,000.00								
CONTINGENCY 10%			\$ 19,940.00								
<b>CONSTRUCTION SUBTOTAL</b>			\$ 160,340.00								
ENGINEERING			\$ 14,000.00								
CONSTRUCTION INSPECTION			\$ 6,000.00								
<b>FIRST PHASE TOTAL</b>			\$ 172,340.00	\$ 24,170.00		\$ 20,000.00	\$ 30,000.00		\$ 12,000.00	\$ 86,170.00	\$ 138,630.00
<b>2ND PHASE</b>											
4 INCH WATER MAIN	LF	30.00	\$ 90,000.00								
SERVICES	EA	5	\$ 7,500.00								
PAVEMENT REPLACE	LF	700	\$ 7,000.00								
CONTINGENCY 10%			\$ 5,350.00								
<b>CONSTRUCTION SUBTOTAL</b>			\$ 65,850.00								
ENGINEERING			\$ 5,000.00								
CONSTRUCTION INSPECTION			\$ 2,000.00								
<b>2ND PHASE TOTAL</b>			\$ 65,850.00	\$ 37,925.00					\$ 32,925.00	\$ 105,805.00	
<b>THIRD PHASE</b>											
2 INCH WATER MAIN	LF	2800	\$ 87,000.00								
SERVICES	EA	23	\$ 34,500.00								
PAVEMENT REPLACE	LF	3500	\$ 35,000.00								
CONTINGENCY 10%			\$ 15,850.00								
<b>CONSTRUCTION SUBTOTAL</b>			\$ 172,150.00								
ENGINEERING			\$ 30,000.00								
CONSTRUCTION INSPECTION			\$ 10,000.00								
<b>THIRD PHASE TOTAL</b>			\$ 212,150.00	\$ 6,245.00				\$ 100,000.00	\$ 105,905.00	\$	
<b>FINANCIAL COSTS</b>			\$ 450,340.00	\$ 24,170.00	\$ 38,170.00	\$ 20,000.00	\$ 30,000.00	\$ 100,000.00	\$ 12,000.00	\$ 226,000.00	
<b>TOTAL CONSTRUCTION</b>			\$ 450,340.00	\$ 24,170.00	\$ 38,170.00	\$ 20,000.00	\$ 30,000.00	\$ 100,000.00	\$ 12,000.00	\$ 226,000.00	
AMOUNT WOULD BE A METRCAP OR SRF LOAN TO BE PAID OVER A TWO YEAR PERIOD OUT OF WATER REVENUE											

Essex WAS District \$ (40,000.00)