

EXHIBIT 7
DATE 1/19/05
HB 6, 8

Black Eagle Water System Improvements

While the Black Eagle Water System Improvements project is important to public health, water conservation, and cost control for the public water system, it is also a vital step in the planned reconstruction of the main road through Black Eagle. This road, Smelter Avenue, is prioritized for reconstruction under MDT's Transportation Improvement Program for roads in the Great Falls area. MDT requires that existing water mains in Smelter be upgraded to a 20-year design life before the road is reconstructed. In order to not delay the MDT reconstruction project, the water system improvements should be designed this funding cycle. Construction funding requests will be submitted in 2006 to the Montana's Treasure State Endowment Program.

The water mains under Smelter Avenue are in poor condition and in need of replacement. This need is documented in detail in the Preliminary Engineering Report. Most water mains in Smelter Avenue are 1950's Cast Iron pipe. These mains are prone to breaking and do not have the 20 year design life required by MDT.

Approval of the current grant funding request for \$50,000 will allow completion of **Phase One** of the project. This phase includes engineering design and preparation of bid documents for replacement of all problem water mains in Black Eagle, including the Smelter Avenue sections. **Phase Two** of the work will complete the replacement of all breakage and corrosion susceptible Cast Iron water mains in the community.

Black Eagle is a Low to Moderate Income community as rated by the Montana Department of Commerce. Funding assistance for the necessary improvements will help keep water service affordable for the many retired and under-employed residents of Black Eagle.

Thank you in advance for your assistance and cooperation in helping to advance the Black Eagle Water Distribution Repairs project.