EXHIBIT 9
DATE 1/19/05
HB 6, 8

DNRC RRGL Hearing for Gardiner: Arsenic Removal Plant & Pipeline

ME&A

Gardiner-Park County Water District

Jim Thompson, President
Ron Shorter, Operator

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Regulations

- Maximum Contaminant Level (MCL)
  - Was 50 Parts Per Billion (ppb)
  - Now 10 ppb
- Gardiner Water Sources
  - Spring: < 3 ppb
  - Wells: 28 ppb
- Must Comply with New Regulations by 2006

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Cancer Cases from Arsenic per 10,000 People

Arsenic (ppb)	Bladder Cancer Cases			Lung Cancer Cases		
	Females	Males	Total	Females	Males	Total
3	4	7	11	5	4	9
5	6	11	17	9	7	16
10	12	23	35	18	14	32
20	24	45	69	36	27	63

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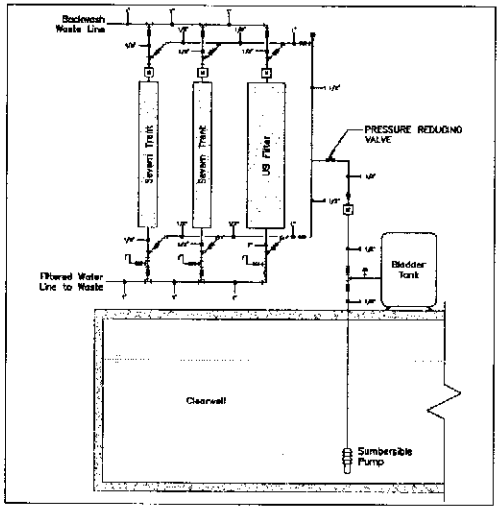
Schematic Overview of Pilot Project



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Results of 2003/04 Pilot Testing

- Media passed test for Toxicity Characteristic Leaching Potential and can simply be landfilled (not a hazardous waste).
- Media worked as predicted (GFO).
- Design to be completed in Feb., All funding but DNRC committed.

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Conclusions

1. No "breakthrough" threat.
2. Can get approximately 40,000 to 60,000 bed volumes without optimizing, 80,000 to 110,000 with optimization.
3. Easy to operate.
4. No taste.
5. No residuals that require special handling.
6. Operator already familiar with process.

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Gardiner DNRC RRGL Hearing 7

2004 Costs

Estimated Costs for Various Arsenic Treatment Systems

Per Malcom-Pirnie & EPA. GFH per MFR and Engineer

Inflated to Actual Cost in 2004

Construction Year: 2004 Annual Inflation: 3%

System	% Removal	Cost for 0.36 to 4.50 MGD			20 Year Life Cycle Costs		
		Capital	O&M	Residual Treatment	O&M	Capital and O&M	Residual Treatment
Coagulation and Filtration	95%	$2,256,317	$193,130	?	$2,215,184	$4,471,501	?
Direct Filtration	90%	$2,177,869	$159,367	?	$1,827,928	$4,005,796	?
Coagulation and Micro-Filtration	90%	$3,201,259	$193,183	?	$2,215,795	$5,417,054	?
Lime Softening	80%	$1,733,610	$140,825	?	$1,615,255	$3,348,865	?
Activated Alumina	95%	$3,098,139	$349,219	?	$4,005,520	$7,103,659	?
Ion Exchange	95%	$3,152,405	$166,550	?	$1,911,573	$5,063,978	?
Ultra Filtration	65%	$2,868,595	$275,184	?	$3,156,108	$5,624,703	?
Nano-Filtration	90%	$3,343,346	$600,859	?	$6,892,154	$10,235,500	?
Reverse Osmosis	95%	$3,201,259	$1,173,710	?	$13,462,358	$16,663,617	?
Granular Ferric Hydroxide	**90%**	**$1,294,353**	**$49,935**	**Included**	**$572,754**	**$1,867,106**	**Included**

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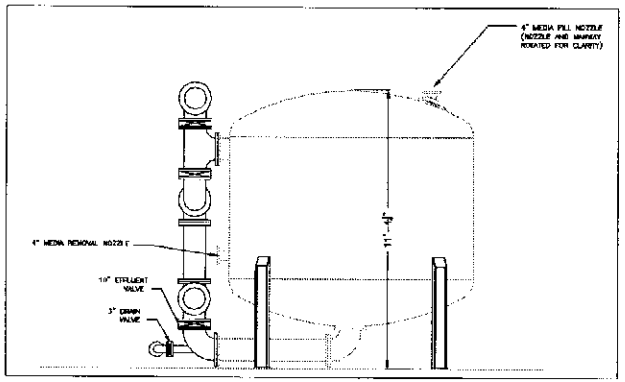
Gardiner DNRC RRGL Hearing 8

GFO Treatment System (Side Elevation View)



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Gardiner DNRC RRGL Hearing 9

POTENTIAL FINANCING OF 8" PIPELINE AND GFO PLANT

ITEM	TSEP	DWSRF	District	TOTAL
Administration and Financing				
Personnel Costs (Labor, Office Costs, Training)	$3,500	$500	$2,700	$6,700
Professional Services	$10,000	$10,500	$5,000	$25,500
Legal Costs & Audit	$1,000	$2,000		$3,000
Financial (Origination Fees, Reserves, Bond Council)		$94,000		$94,000
Subtotal	$14,500	$107,000	$7,700	$129,200
Construction				
Geotechnical			$4,000	$4,000
Construction & Engineering (Plant)	$425,000	$630,000	$5,000	$1,060,000
Construction& Engineering (Pipeline)	$23,500	$249,500		$273,000
Construction Contingencies	$37,000	$74,600		$111,600
Subtotal	$485,500	$954,100	$9,000	$1,448,600
TOTAL PROJECT COSTS	$500,000	$1,061,100	$16,700	$1,577,800

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Estimated Cost Per User

Assuming Year 2004 Construction

Assuming Interest Rate of 2.75% (first $500,000) and 3.75% (additional funds)

Loan Request	$983,000
Required 8% Reserve	$78,100
Total	$1,061,000
Base Payment	$73,250
Payment Multiplier for Security	1.20
Net Yearly Charge for Debt Service	$87,900
Additional O&M per Year	$24,000
Net Increase in Yearly Cost	$111,900
Equivalent Users (280 Residential, 310 Commercial)	581
Monthly Cost per user	$16.05
Current Water Rate (Average Residence with 11,000 gallon/month Consumption)	$30.42
Increase (54%)	$16.43
Proposed Water Rate (Average Residence with 11,000 gallon/month Consumption)	$46.85

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Gardiner DNRC RRGL Hearing 11