

EXHIBIT 9
DATE 1/09/09
HB 11

Dry-Redwater Regional Water Authority
PO Box 276
Circle, MT 59215

Phone: 406-485-2744 ext. 100
Phone: 406-485-3374

February 26, 2008

Ms. Mary Sexton, Director
Department of Natural Resources & Conservation
PO Box 201601
Helena, MT 59620-1601

RE: Funding needs for Dry-Redwater Regional Water Authority.

The Dry-Redwater Regional Water Authority (DRWA) is seeking a State Appropriation, through the DNRC's 2010-2011 biennial budget, to assist with the on-going administrative costs of developing this rural water system. The DRWA is also asking for \$500,000 of one-time only funds from the 2009 Legislative Session to be used to help complete required environmental and engineering studies to move the project toward development.

Past appropriations through your agency have been and will continue to be fundamental to the progress of our regional water system. The funds will be used for the organization and development of the Dry-Redwater Regional Water System.

The funds in the past have been extremely important to providing public meetings and information about the regional water system to include a general survey of interest and the first stage of the financial feasibility of the system. The surveys and public response to date indicates strong support of continuing these efforts. Currently there are 3,047 projected users/hookups that have signified interest by paying a good intention fee to hook to the system if the costs are reasonable.

To date the DRWA board has meet many times, conducted over 13 local public informational meetings, direct mailed information and provided a number of press releases, began a survey of regional interest, obtained current support from all towns in the proposed service area, and has completed a PER/feasibility study and report. We are working with all three of our Federal Congressional Delegates on our federal authorization bill. We have a web site up and running that is available for more information on our efforts. The web site url is: <http://www.midrivers.com/~drwa/>. McCone and Garfield County, all area west of the Yellowstone River in Richland and Dawson County along with the towns of Circle, Jordan, Vida, Richey, Lambert, and Fairview have all pledged support and have contributed financially to the effort.

The State of Montana's support, especially all of the help from the Department of Natural Resources, has been critical to our efforts and is greatly appreciated. We respectfully request that \$95,000 annually, for a biennial total of \$190,000, be included in the Executive Planning Process. And, that the \$500,000 of one-time funds be included in the budget.
Sincerely,

Tod Kasten, Treasurer
Dry-Redwater Regional Water Authority
Enclosure: Budget estimates for 2010-2011



**Tasks and Estimated Budget Requirements
2010-2011 estimated biennial budget**

Income:	FY	2010	2011
State (DNRC) Appropriation:		\$95,000	\$95,000
Grant Funds (not yet obtained)		50,000	50,000
Other (local donations and other):		5,000	5,000
Total:		\$150,000	\$150,000

Funds are projected to be used for items such as contract services for technical, legal and engineering, securing federal funds, staff, office expenses, travel, coordination between federal, state and local entities, public participation and education, environmental and cultural reports, final project design, grant writing, final engineering report for request of federal funds, acquisition of adequate water rights, maintaining local support, negotiation of required agreements, operation and support of local steering committee/board, preparation and passage of federal authorization and any other administrative or related activity.

In an attempt to summarize the budget needs, the following general budget categories were determined to best describe the projected funding areas required to accomplish the objectives.

FY	2010	2011
Coordinator And office exp.	\$45,000	\$45,000
Legal	8,000	8,000
Travel	10,000	10,000
Education and Public Involvement	10,000	10,000
Federal authorization And funding	7,000	7,000
Engineering and Technical/Consulting Services	70,000	70,000
Estimated Total:	\$150,000	\$150,000

Tasks and Estimated Costs of \$500,000 of one-time funds

Funds will be used to help cover the costs of the following tasks:

1. Pilot water testing/treatment study. Estimated \$180,000.00
2. Cultural and environmental study. Estimated \$100,000.00
3. Water conservation plan. Estimated \$ 25,000.00
4. Final engineering report. Estimated \$250,000.00
5. Construction costs. Any funds that might remain.