

EXHIBIT 13  
DATE Jan 15, 09  
HB 1176

**TESTIMONY OF WILLIAM A. BUXTON  
REPRESENTING THE GREATER WOODS BAY SEWER DISTRICT  
MORRISON-MAIERLE, INC.  
125 SCHOOLHOUSE LOOP  
KALISPELL, MONTANA 59901**

Mr. (Madam) Chairman and Members of the Committee,

Earlier this morning you heard testimony regarding a stormwater project in Bigfork and wastewater collection projects in the Sheaver's Creek Water and Sewer District and the Woods Bay Homesites Water and Sewer District. My testimony serves as Part 4 in a 4 part series documenting our collective efforts related to not only protecting public health and safety, but also protecting our State's greatest natural resource... Flathead Lake.

Because Flathead Lake is so precious, its protection has become the focus of many people and organizations including The Flathead Coalition, the Confederated Salish Kootenai Tribe, the Flathead Lakers, Montana's Governor and Congressional Delegation as well as Montana's Senate and House of Representatives. We thank you for all of your past efforts.

However, there are other individuals and groups of people at the local level that have made and continue to make a real impact on the water quality of Flathead Lake that maybe don't get recognized as often as they should. These people work tirelessly toward the goal of a cleaner environment not for personal or political gain, not for recognition, but rather because it is the right thing to do.

Flathead County and the Bigfork Stormwater Committee are working to fund and install treatment systems on all stormwater outfalls in the Bigfork area that discharge stormwater directly into Flathead Lake. The cost of this project is anticipated to be in excess of \$1.5 million. This effort will have a direct impact on the discharge of organics, suspended solids, nutrients (nitrogen and phosphorus), and fecal coliform bacteria.

The Bigfork Water and Sewer District has agreed to accept wastewater from the Woods Bay area and has begun the upgrade to its wastewater treatment facility. The Phase 1 expansion which cost about \$3 million was just recently completed. The Phase 2 project, which is estimated to cost \$5.5 million is in the design phase and construction is anticipated to begin in late 2009 or early 2010. When completed, the Bigfork wastewater treatment facility will be one of the most advanced wastewater treatment facilities in the state of Montana. Once the Woods Bay project is on-line, nutrients which had been previously discharged to Flathead Lake via drainfields will all but be removed from the wastewater before it is discharged back into the lake.

Flathead County working with the Bigfork Water and Sewer District is pursuing options for septage disposal that will ensure long-term management of this waste.

The North Lake County Planning and Zoning Committee (a sub-committee of the Bigfork Land Use Advisory Committee) is working to establish zoning in north Lake County and especially around the northeast side of Flathead Lake to ensure that growth (and the stormwater and wastewater that is generated from growth) can be managed.

The Sheaver's Creek Water and Sewer District, the Woods Bay Homesites Water and Sewer District, and the Greater Woods Bay Sewer District working in partnership together have committed funds to past wastewater planning efforts in the Woods Bay area. These three Districts also stand poised to begin work on infrastructure that will allow for the abandonment of existing septic tanks and drainfields in their Districts once funding becomes available. The combined cost of Phase 1 collection system improvements in these Districts, which was the subject of the grant applications submitted to TSEP in 2008, is over \$2.8 million.

The estimated cost of the Greater Woods Bay Sewer Project which includes not only the collection system improvements in each District, but also the infrastructure between Woods Bay and Bigfork is estimated to cost in excess of \$25 million and will take over a decade to construct.

The funding strategy for the first phase (Phase 1d) of the Greater Woods Bay sewer project (and for the Sheaver's Creek and Woods Bay Homesite projects) included a Treasure State Endowment Program Grant which would have paid for a significant portion of the cost of this project. It appears that after a thorough review by TSEP staff that this project may not be funded by TSEP this year thus making the project financially infeasible at this time.

So where do we go from here?

Due to the income levels in the area, the cost of the project, and the relatively low density of homes, the collection system phases (Phases 1b, 1c and 1d) that serve each individual District are not affordable without grant funding. We will continue to pursue other forms of grant funding for the collection system projects through WRDA, Rural Development, and President-elect Obama's stimulus package. We also anticipate that all three District's will be submitting grant applications to TSEP and DNRC again in 2010 for either Phase 1 if it has not been funded yet or for subsequent phases of this project.

The Core System (Phase 1a), which is the infrastructure that will transport the wastewater from Woods Bay to Bigfork, is currently in the design phase and has been partially funded by a \$240,000 grant from the WRDA program via Senator Baucus' office. The Preliminary Design Phase will be completed this spring and we will be working on the creation of a special assessment area and preparation of loan applications that will fund the construction phase. A second WRDA grant in the amount of approximately \$185,000 has also been tentatively awarded to the Greater Woods Bay Sewer District for the construction of the core system

which is anticipated to begin in the spring of 2010. This phase of the project is anticipated to cost approximately \$3.5 million. This phase of the project will be our primary focus for 2009 as the success of the overall Woods Bay sewer project hinges on the successful implementation of Phase 1a.

We recognize that the Greater Woods Bay Sewer Project will take many years to implement and will undoubtedly hit the unavoidable speed bumps. However, we remain confident that with hard work and a little luck we will see this project through to the end. We sincerely appreciate your support and the efforts of the Department of Commerce staff who have helped guide us over the course of the past several years. Thank you for your time.