

EXHIBIT 10
DATE Jan 20, 09
HB 6



Malta Irrigation District

**'Installation of Water Measuring Devices and Structures,
Headwalls, and Check Structures' Grant**

Department of Natural Resources and Conservation
Renewable Resource Grant and Loan Program

*To change scope of project from
'Dodson North Canal Regulating Reservoir' Grant
to proposed
'Installation of Water Measuring Devices and Structures,
Headwalls and Check Structures'*

Budget for 'Installation of Water Measuring Devices and Structures, Headwalls and Check Structures'

The estimated cost of installing water measuring devices and structures, check structures and headwalls with contingency, administration, technical and construction is \$320,870.00. This estimate includes expenses paid by MID for administration, field personnel and equipment.

Budget Forms for Renewable Resource Projects

Total Costs	December 1, 2008			
	DNRC Grant	DNRC Loan	Project Sponsor	Total
Total Administration	\$0.00	\$0.00	\$5,000.00	\$0.00
Total Professional & Technical	\$0.00	\$0.00	\$0.00	\$0.00
Total Construction	\$100,000.00	\$0.00	\$215,870.00	\$320,870.00
Total Project Cost	\$100,000.00	\$0.00	\$220,870.00	\$320,870.00

The breakdown for the total budgeted costs is as follows:

Contract Administration				
	DNRC Grant	DNRC Loan	Project Sponsor	Total
Project Manager	\$0.00	\$0.00	\$4,000.00	\$0.00
Administrative Support	\$0.00	\$0.00	\$1,000.00	\$0.00
Benefits	\$0.00	\$0.00	\$0.00	\$0.00
Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00
Accounting	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal Contract Administration	\$0.00	\$0.00	\$5,000.00	\$0.00
Communications	\$0.00	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Rental	\$0.00	\$0.00	\$0.00	\$0.00
Total Contract Administration	\$0.00	\$0.00	\$5,000.00	\$0.00

Professional and Technical Costs

	DNRC Grant	DNRC Loan	Project Sponsor	Total
Professional	\$0.00	\$0.00	\$0.00	\$0.00
Professional	\$0.00	\$0.00	\$0.00	\$0.00
Benefits	\$0.00	\$0.00	\$0.00	\$0.00
Contracted Services	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal Professional & Technical	\$0.00	\$0.00	\$0.00	\$0.00
Laboratory	\$0.00	\$0.00	\$0.00	\$0.00
Communications	\$0.00	\$0.00	\$0.00	\$0.00
Printing	\$0.00	\$0.00	\$0.00	\$0.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Total Professional & Technical	\$0.00	\$0.00	\$0.00	\$0.00

Construction Costs

	DNRC Grant	DNRC Loan	Project Sponsor	Total
Labor	\$0.00	\$0.00	\$132,195.00	\$132,195.00
Materials	\$90,535.00	\$0.00	\$0.00	\$90,535.00
Equipment	\$0.00	\$0.00	\$78,675.00	\$78,675.00
Construction Contract	\$0.00	\$0.00	\$0.00	\$0.00
Contingency	\$9,465.00	\$0.00	\$5,000.00	\$19,465.00
Total Construction	\$100,000.00	\$0.00	\$215,870.00	\$315,870.00

Project Information

Malta Irrigation District plans to install:

- one (1) water measuring device
- three (3) water measuring structures
- twenty-eight (28) check structures
- twenty-nine (29) headwalls.

Installation and replacement of the water measuring devices and structures as well as the other canal structures will enhance MID's ability to better manage and conserve limited irrigation water resources in a fair and equitable manner. The new structures, in theory, will increase crop production by increasing water use efficiency and decreasing irrigation labor costs. In addition, the replacement structures, mainly checks and headwalls, will reduce bank erosion and provide consistency among structures which will simplify operation, maintenance and future repairs.

Replacement, modification and improvement of project facilities are needed to:

- Conserve irrigation water by a reduction of seepage losses and operational wastes;
- Conserve irrigation water through proper water measuring and management;
- Restore the reliability of the current system;
- Restore and provide design capacity to the system to avoid overloading it and thus eliminate the risk of system failure;
- Reduce annual operation and maintenance costs;
- Ensure the continued social and economic welfare of the area.

The proposed solution is to install water measuring devices and structures, as well as replacing and installing check structures and headwalls. The new program should include the following attributes:

- Purchase and installation of water measuring device;
- Have data from water measuring device available and usable;
- Engineer water measuring structures (weirs);
- Fabrication and construction of new water measuring structures (weirs) should be accomplished using MID personnel and equipment;
- Inventory and prioritize replacement order of check structures by MID personnel;
- Fabrication and construction of new checks should be accomplished using MID personnel and equipment;
- Demolition of old checks;
- Inventory and prioritize replacement order of headwalls by MID personnel;
- Fabrication and construction of new headwalls should be accomplished using MID personnel and equipment;
- Demolition of old headwalls, if any.

Alternative solutions include the following:

- Continual temporary repairs of existing structures;
- Cast-in-place concrete structures;
- Pre-manufactured, non-concrete structures; and
- No water measuring devices or water measuring structures installed.

All work is projected to be completed by MID staff using MID equipment. Outside services will be limited to procurement of ready-mix concrete, initial materials to construct the reusable forms, concrete re-enforcement steel and embedment, miscellaneous plate steel to fabricate overshot leaves, and pre-manufactured gate hoist operators. Also, the water measuring device will be purchased and installed by a Sutron representative.

Resource and Citizen Benefits

One way MID has been trying to conserve water is through a conservation plan. Currently, the conservation plan includes projects such as installing water measuring devices and water measuring structures. If these devices and structures are installed in strategic locations, this would let MID record and document water flow and levels allowing MID to manage irrigation water in a more efficient and conservative manner. Even though there are already water measuring devices located in MID, it is necessary to place water measuring devices and structures in areas where none are currently located; this new data, along with data compiled from the Bureau of Reclamation hydromet readings, will allow MID to conserve and manage irrigation water considerably.

Another part of the conservation plan includes replacing turnout structures with new turnouts with headwalls. This would permit irrigators and MID to release water more safely, especially since the current turnout structures (without headwalls) have 'moved' away from the bank making access to these turnouts difficult and dangerous; this 'movement' is from the banks of the canal eroding away. Decreasing bank erosion would not only benefit MID staff and irrigators, but it would also benefit any fish or wildlife by keeping their habitat intact. Also, replacing check structures is important to help prevent leakages from faulty checks as well as reduce the overall costs associated with repairing the failing structures.

These projects will allow MID to help irrigators in the district use irrigation water more efficiently. The proposed project of 'Installation of Water Measuring Devices and Structures, Headwalls, and Check Structures' will not only conserve water, but will decrease the overall cost to MID, thus decreasing costs to the irrigator and allowing irrigators to produce a crop at lower costs. This is important during water short areas and years, but also important during economically depressed times, as well.

This proposed project is also part of MID's water conservation plan to conserve and manage the water resources on the aging facilities. In the prior phases of the water conservation plan, MID has replaced the eight (8) major checks on the Dodson South Canal, which enables the water to go down earlier and with more efficiency into Nelson Reservoir. Also, we had an engineering study done on the Dodson Diversion Dam and procured a low interest loan from the Department of Natural Resources and Conservation to modify and repair the Dodson Diversion Dam in the amount of \$2,274,950.00. MID applied for and received a Department of Natural Resources and Conservation Grant to replace thirty-four (34) check structures; this project was completed in 2007.

Water needs to be preserved at all levels, because the future of water rights in the area is unknown. MID's federal water project will be affected by the settlement of tribal water rights which will include new tribal water projects, and the possibility of Canada using more water. MID is involved with the State Water Compact Commission in their negotiations with Fort Belknap and Blackfoot tribes and Bowdoin National Wildlife Refuge involving their water rights. It becomes even more important that MID continue with this plan to conserve water as MID sees the federal water rights being decided on the Milk River. MID will be operating with less water due to more water going to other entities.

The population in this area is largely dependent on agriculture. Any amount of water conserved will benefit the Milk River and Nelson and Fresno Reservoirs. With a more efficient use of water MID will continue to preserve water for the irrigated farmer and the wildlife. The water and canal banks are wildlife habitat with the cover, feed, and shelter they provide.

The water conserved by the 'Installation of Water Measuring Devices and Structures, Headwalls, and Check Structures' project would ultimately effect fishermen, hunters, boaters on Nelson Reservoir and the cabin owners on Nelson Reservoir. It also has the domino effect by being a benefit to other irrigation districts and pumpers on the Milk River.