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County Commission

GALLATIN COUNTY

311 West Main, Rm. 306 • Bozeman, MT 59715

William A. Murdock
Joe P. Skinner
Steve White

Phone (406) 582-3000
FAX (406) 582-3003

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EXHIBIT 8
DATE 3/12/09
HB 645

Representative Ted Washburn
Montana House of Representatives
PO Box 200400
Helena, MT 59620-0400

Dear Representative Washburn,

With the recent approval by Congress of President Obama's American Recovery & Reinvestment Act (ARRA), Gallatin County would like to take this opportunity to remind you of proposed projects that have been on our priority list as well as those of several of your state agencies. We send this letter in hopes of receiving stimulus funds to pursue completion for the projects listed below. These have all been identified as high priority public needs through a very transparent process in many public hearings.

Due to our diverse economy, Montana State University, and our high quality of life Gallatin County has been the fastest growing county in Montana and recently became Montana's third most populous. Gallatin County is striving to maintain the current level of service to its residents and visitors. In light of our continued efforts, we have met many challenges to provide adequate public infrastructure. We understand stimulus funds are to be funneled through existing state programs, so we have organized projects in the following list by the appropriate division. These are our highest priority level projects.

COMMUNITY DEVELOPMENT PROJECTS

Hebgen Lake Estates Wastewater Treatment System

In November 2005, the Montana Department of Environmental Quality issued a Notice of Violation and Administrative Order to Gallatin County requiring the Hebgen Lake Estates Wastewater Treatment System be brought into compliance with the Montana Water Quality Act. MDEQ extended this order three times to allow us to resolve the issue and now we are very close to construction. To protect the pristine water quality of Hebgen Lake, we respectfully request $2,050,000 in stimulus funds to complete this project and protect the water quality in one of Montana's most sensitive and important watersheds.

The existing wastewater treatment plant at Hebgen Lake Estates was built in the 1970s utilizing aerated lagoon technology that is now obsolete. Based upon water balance calculations, the aerated lagoon is leaking an estimated 2.4 million gallons of wastewater per year into groundwater adjacent to Hebgen Lake, which is 28 times the MDEQ standard. Water quality monitoring data confirms that the system has been exceeding the State and Federal water quality standard for nitrate concentrations in groundwater since at least 2004.

We believe this project has local, statewide and national significance. Hebgen Lake Estates is located within close proximity to Hebgen Lake and undoubtedly the leakage of the lagoons has a high potential to negatively impact the ground and surface water quality adjacent to and within Hebgen Lake – a critical resource the people of Gallatin County and Montana most assuredly want to protect. Ensuring excellent water quality in Hebgen Lake will help the long term water quality of the Madison River – again, a water body of national significance that plays a fundamental role in the regional economy. Moreover, the wastewater system is in close proximity to Yellowstone National Park and National Forest lands that

provide amenities critical to our state's economic vitality. As you can tell, improving water quality by correcting this unfortunate situation should be a high priority for stimulus funds.

The proposed replacement of the existing wastewater treatment system will eliminate the leakage and bring the system into compliance with the Federal Clean Water Act and Montana Water Quality Act. To determine the most appropriate technology to rectify this situation, Gallatin County has already conducted a Preliminary Engineering Report (PER),which evaluated the existing system, identified deficiencies, and recommended the existing system be replaced with new technology. We are now entering the construction design phase and need stimulus money to complete construction.

We certainly recognize local residents should participate in replacement of this system, however, without additional grant funding the level of indebtedness to Hebgen Lake Estates residents will result in a combined water and sewer rate that is well in excess of the affordable target rate established by the Montana Department of Commerce. To ensure this project is funded within these limits, we have been fortunate to obtain a Department of Natural Resources and Conservation (DNRC) grant of $100,000 and Treasure State Endowment Program (TSEP) grant of $750,000. The remainder of the project could be financed with stimulus money through the State Revolving Fund program.

We estimate this project will generate 25 jobs during construction and up to 2 full-time positions after completion. Most importantly, this project will correct a situation that has a potential to impact the water quality in Hebgen Lake. Please consider this project for stimulus funds.

TRANSPORTATION PROJECTS

I-90 East Belgrade Interchange (STIP Project #IM-MT 90-6(112)299)

Gallatin Field is the second busiest airport in the state and as such is certainly one of the most critical economic drivers in all of southwestern Montana. We believe that improving the public's access to Gallatin Field from Interstate 90 is absolutely critical to ensuring planned improvements at the airport and continue to provide evermore competitive economic advantages for our region and the entire state. As you know, the project has received $8 million in FY07 Federal Highway earmark funds and interstate maintenance funds, but these funds are insufficient for the entire project. MDT, the Airport Authority Board, the City of Belgrade and Gallatin County all signed a Memorandum of Understanding that each party would contribute to the overall responsibility for improvements to all the connector roads for the public to access a new interchange. This amounts to roughly $15 million in local contributions. Additional funding will be required to move forward into the construction phase. As the current budget estimate for the total project cost is $39,360,000, we respectfully request the stimulus funds in the amount of $14,000,000 to fulfill the project's financial shortfall.

This project has been identified by both the State and the County as a critical regional transportation improvement. The Department of Transportation identified this project in the 2008-2012 MDT Statewide Transportation Improvement Program (STIP) and the County has repeatedly identified the need for this interchange in updates to the Great Bozeman Area Transportation Plan. Quite simply, this project has been on the State's and County's radar for a long time. We believe it is time to build it.

We are proud that this project has been the result of an extensive partnership – a concept we believe you find to be important in developing public infrastructure. Over the past decade, Gallatin County has partnered with the Department of Transportation, the City of Belgrade and the Gallatin Airport Authority to develop this project. We have done so because all partners believe the installation of a new interchange in this location would improve access to the airport, and increase safety and traffic flow in the area while reducing the public's overall fuel consumption as congestion and wait times are reduced.

We know this project will provide significant short and long term stimulus to our regional economy. We estimate 100-125 jobs would be created during construction and countless others would be generated or maintained as construction dollars flow into Gallatin County. We also believe the access improvements to the airport will ensure future airport expansions will be supported by surrounding infrastructure – a critical key to ensuring continued regional economic expansion. Moreover, the City of Belgrade

anticipates that should the interchange be built, Alaska Road south of the interchange will become a new business district providing additional economic expansion opportunities for the region. Please consider funding the remaining portion of the financing for this project with stimulus money.

Valley Center (– MT Hwy 85, both East and West project) (STIP Project #STPS 235-1(8)0)

Just as the proposed interchange has regional and statewide economic importance, Valley Center Road provides one of the most critical transportation connections between two of the Gallatin's economic centers: Bozeman and Belgrade. Valley Center Road also acts as one of our County's main arterials connecting tens of thousands of our residents to their homes, schools, and work. We believe the time is now for reconstructing the entire length of this road and as such respectfully request $15,000,000 in federal stimulus money.

Just as the proposed interchange has been planned for several years, the reconstruction of Valley Center has also been identified for years as a critical transportation project by both MDT and the County. The Greater Bozeman Area Transportation Plan (2001 and 2007 updates) identifies Valley Center as one of the top recommended major street network improvements in our valley. MDT's 2008-2012 STIP, the Belgrade and County Growth Policies have all identified this area as a major growth area and thus recognize this area should be the focus of major investments in infrastructure into the future.

We believe a major reconstruction is drastically needed on this principal arterial in order to facilitate the continued growth and safety for Gallatin Valley motorists. This road has increased substantially in trips per day (ADT) due to the rapid growth during the last twenty years and our most recent counts have ADT's upwards of 2300 to 5900 between the Bozeman city limits and Jackrabbit Lane just south of Belgrade – counts we believe are far beyond the capacity of the roadway as currently constructed.

As with the proposed interchange, we have partnered with MDT on developing improvements to this road and are fortunately very close to construction. MDT has completed the design for Valley Center improvements as well as acquiring the majority of the right-of-way for the project. According to MDT this project is a high priority, only ten parcels remain for right-of-way acquisition, and the proposed improvements will include a separated pedestrian/bike facility - a major piece in providing alternative transportation options for the public and reducing fuel consumption. This project is estimated to create 100-125 jobs during construction and will provide a critical component of the continued development of our key economic centers in the Gallatin Valley for years to come.

Amsterdam Ramp

Another important linkage in our regional transportation system that can generate jobs and improve circulation is the construction of a new entry ramp onto eastbound I-90 at Amsterdam Road. Currently Amsterdam Road suffers from heavy congestion during peak travel hours due to a high volume of travelers leaving residential developments as well as large truck (semi trailer) traffic. Over 60% of this traffic is attempting to get onto I-90. Gallatin County and MDT worked together with a plan to improve congestion of the eastbound travelers by evaluating additional on-ramps, traffic signals, lane additions and traffic signal phasing. Additional traffic signals, signal phasing and lane additions are all short-term solutions. We need a long term solution.

In MDT's presentation to Gallatin County on May 22, 2008, it recommended two long-term solutions:

- The addition of a ramp from Amsterdam Road linking to the existing loop that brings traffic from Jackrabbit southbound onto I-90 heading East (morning peak traffic); and
- The addition of a right turn lane southbound on Jackrabbit at the Amsterdam Road intersection to significantly reduce wait times and improve traffic flow (evening peak traffic).

The advantage of a new ramp is that it directly removes traffic from Amsterdam Road and frees congestion at the Jackrabbit/Amsterdam intersection. Most likely, this new loop would require additional traffic control for traffic to merge onto the loop. Drainage, snow plowing and other safety concerns will need to be taken into account through an Environmental Assessment but we believe this addition would drastically clear what is currently a two-mile bottleneck. The estimated cost of this additional on-ramp is $500,000

to $1,000,000 (for entire completion). This project could create 5-10 jobs, dependent upon creation of a ramp and/or additional turn lanes.

Axtell-Anceney Bridge

The Axtell-Anceney Bridge spans the Gallatin River just north of Gallatin Gateway and has been on the State off-system bridge list for at least five years, which labels the structure as functionally obsolete. This list identifies bridges that should be replaced due to deterioration, weight limit restrictions (currently posted @15T – 19T depending on number of axels), reduced width to one lane traffic, etc. The most recent MDT inspection was performed June 17, 2008 with a Sufficiency Rating of 17.2 and a Health Index of 50.84. This bridge is next on MDT's bridge inventory list for replacement, as well as the County Road & Bridge Superintendent's highest priority. The replacement cost for this structure is estimated between $1.2 – 1.8 million. Replacement of this bridge would provide a reliable connection in that area of the valley and rapidly increase response times for emergency service providers. This improvement would also allow school bus, truck and agricultural traffic along with the general traveling public a safe crossing of the Gallatin River. This project could create 8-10 jobs during construction.

We would like to thank you for this opportunity to provide you information on the projects that have been high priority for many Montana agencies. Each of these projects have different benefits. We believe these projects offer statewide value in the creation of jobs and will enable future economic activity in Gallatin County as well as the rest of Montana, including safer access for emergency vehicles, and creating or improving public health and safety incidents of water and wastewater. Any projects funded by ARRA would relieve local tax dollars by allowing them to be retained for local maintenance projects rather than new infrastructure.

We recognize the difficulty you, the Legislature and your agencies will have in deciding upon the most proper and efficacious distribution of the federal stimulus funds and have thus proposed only the most critical of our public infrastructure projects based on need and the ability to commence construction within a short amount of time. We also understand the need to track the expenditures with the utmost care and transparency and pledge to you our commitment to do so. As we face the future, we realize Gallatin County will continue to play a significant role in the future economic expansion of Montana. Thank you for your consideration of our requests.

Sincerely,

GALLATIN COUNTY COMMISSION

R. Stephen White, Chairman

William A. Murdock, Member

Joe P. Skinner, Member

CC: Senator Max Baucus
Senator Jon Tester
Representative Denny Rehberg