

Utility Solutions, LLC
response to staff data requests PSC - 001 through PSC - 021

UTILITY DIVISION

CONSOLIDATED DOCKETS

D2005.11.163 AND D2005.11.164

January 18, 2008

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

PUBLIC SERVICE COMMISSION
STATE OF MONTANA

*Rec'd
12/14/07*

Greg Jergeson, Chairman
Doug Mood, Vice-Chairman
Brad Molnar, Commissioner
Robert H. Raney, Commissioner
Ken Toole, Commissioner



1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601
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E-Mail: psc@mt.gov

December 7, 2007

Mr. Ron Woods
355 Montana Avenue
Missoula, MT 59802

RE: Data Requests in Consolidated Docket Nos. D2005.11.163 & D2005.11.164

Dear Mr. Woods:

Enclosed please find data requests numbered PSC-001 through PSC-021 in the above-referenced dockets. Please provide an original and ten (10) copies of your responses by December 19, 2007. When responding, please begin each new numbered response on a separate page.

If you have any questions regarding these data requests, please contact Leroy Beeby at (406) 444-6188 or lebeeby@mt.gov.

Sincerely,

Leroy J. Beeby, Rate Analyst
Montana Public Service Commission
PO Box 202601
Helena, MT 59620-2601
Phone: 406.444.6188 Fax: 406.444.7618 Email: lebeeby@mt.gov

cc: Service List

Enc.

Service Date: December 7, 2007

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER of the Application of)
Utility Solutions, LLC to Implement)
Initial Rates and Charges for Water Service)
in its Elk Grove Subdivision, Gallatin)
County, Montana Service Area)

UTILITY DIVISION
DOCKET NO. D2005.11.163

Consolidated with

IN THE MATTER of the Application of)
Utility Solutions, LLC to Implement)
Initial Rates and Charges for Wastewater)
Service in its Elk Grove Subdivision,)
Gallatin County, Montana Service Area)

UTILITY DIVISION
DOCKET NO. D2005.11.164

**COMMISSION STAFF DATA REQUESTS PSC-001 THROUGH PSC-021
TO UTILITY SOLUTIONS, LLC**

PSC-001

Regarding: Workpapers
Witness: Woods

Please provide all of the workpapers submitted in this filing and the interim filing in EXCEL format with all formula intact.

PSC-002

Regarding: Workpaper 1
Witness: Woods

Are the values included in "Allocated Elk Grove" column included in the corresponding "Utility Solutions Pro forma" column?

PSC-003

Regarding: Management Contract
Witness: Woods

- a. Please provide a copy of the Management Contract referred to on Line 24 of Workpaper 1.

- b. Please provide your workpapers determining the allocation of the management contract between the water and wastewater utilities.
- c. Please provide your workpapers determining the allocation of the management contract between Elk Grove and the other Utility Solution enterprises.
- d. Do any of the owners/managers of Utility Solutions, LLC have any financial interest in Doubletree, Inc.? If so please provide percentage of ownership and explain the relationship.
- e. Do the owners/managers of Doubletree, Inc. or Doubletree itself have any financial interest in Utility Solutions?

PSC-004

Regarding: Purchased Power
Witness: Woods

- a. Is electricity for serving the Elk Grove subdivision billed separately from other Utility Solution enterprises?
- b. If so, please provide copies of the power purchase statements. If not, please provide the actual power purchase expense incurred by month since the initial interim rate filing.
- c. Please show the derivation of the average monthly power cost of \$9.50 per EDU as mentioned on page 6 of 10 in your original testimony?
- d. Please provide the derivation of full build out EDU for the entire service area of Utility Solutions, and the EDU computation for Elk Grove.
- e. Is all service area that Utility Solutions services that is not included in the Elk Grove service areas, included in the Four Corners Water and Sewer District?

PSC-005

Regarding: Workpaper 2
Witness: Woods

- a. Please provide by month the actual monthly expenses from the initial interim rate filing through the most current available all expenses shown on Workpaper 2.
- b. Please provide by month the actual monthly revenues from the interim rate filing through the most current available shown on Workpaper 2.
- c. Please explain in detail the "Service Expansion" and the "Construction" revenues shown on page 1 of 3 in Workpaper 2.

PSC-006

Regarding: Service Area
Witness: Unknown

- a. Please provide a map of entire service area for Utility Solutions, including all subdivisions served and any proposed additional service areas.
- b. Who established the service area for Utility Solutions?
- c. What is the capacity of Utility Solutions' water and wastewater plants that provide service to the Elk Grove subdivision?
- d. What is the average daily water usage and wastewater production of Elk Grove subdivision?
- e. Are there any other customers served by Utility Solutions, LLC that are not either part of the Four Corners District or Elk Grove? If so, please provide all particulars on those customers.

PSC-007

Regarding: Utility Solutions and developers
Witness: Unknown

- a. Please provide an explanation of the relationship between Utility Solutions, including its members, managers, and employees, and any and all subdivision developers in the Utility Solutions service area.
- b. Please provide an explanation of the relationship between Utility Solutions, including its members, managers, and employees, and any and all developers of Elk Grove subdivision.

PSC-008

Regarding: Articles of Organization
Witness: Unknown

Please provide a copy of the Articles of Organization of Utility Solutions, LLC.

PSC-009

Regarding: Tax Returns
Witness: Unknown

Please provide copies of the partnership returns for Utility Solutions, LLC for 2005 and 2006.

PSC-010

Regarding: Build Out
Witness: Woods

What is the present buildout of Elk Grove both in terms of percentage and actual numbers?

PSC-011

Regarding: Four Corners Water and Sewer District
Witness: Unknown

Please provide a copy of the contract between Four Corners Water and Sewer District and Utility Solutions.

PSC-012

Regarding: Workpaper 2, page 2 of 3
Witness: Woods

- a. Please explain what the service expansion is for the subdivisions listed on lines 25 through 51.
- b. For the expenses listed on lines 67 through 77, if there is not a corresponding expense listed on lines 57 through 62, please explain why.

PSC-013

Regarding: Workpaper 2, page 2 of 3
Witness: Woods

- a. Please explain the disparity of maintenance expenses between those shown on line 58 and those shown on line 70, given the EDU allocation that was provided.
- b. Please provide the same for Testing, Property Tax, and Utilities.
- c. Are the Sewer Service Expenses shown, direct expenses or are they allocated? If allocated please provide workpapers deriving allocation and methodology.
- d. Please provide copies of invoices supporting the maintenance shown on lines 58 and 70 of your workpapers.

PSC-014

Regarding: Workpaper 2, page 2 of 3
Witness: Woods

- a. Are the subdivisions listed on lines 46 through 51 members of and or located in the Four Corners Water and Sewer District?

- b. Is Utility Solutions servicing them?
- c. If so, please provide the buildout percentage and the number of units that will be served total, listed by class and by EDU.

PSC-015

Regarding: Workpaper 2, page 2 of 3 – Property Taxes – Sewer Service
Witness: Woods

- a. Do the property taxes shown on Lines 60 and 73 share any properties jointly between the District and Elk Grove?
- b. If so, please provide the allocation computation between the entities.
- c. Please provide copies of the property tax assessments with a reconciliation of those assessments to Lines 60 and 73.

PSC-016

Regarding: Workpaper 2, page 2 of 3 – Expenses - general
Witness: Woods

Please provide invoices supporting and reconciliation to the expenses listed on lines 67 through 77.

PSC-017

Regarding: Workpaper 3
Witness: Woods

- a. Please provide by month the derived revenues shown on line 7.
- b. Please provide invoices supporting and reconciliation to the allocated Common expenses.

PSC-018

Regarding: Workpaper 3
Witness: Woods

Please provide an income statement in similar form as your Workpaper 3 for the water utility.

PSC-019

Regarding: Water service income statement
Witness: Woods

For the questions above that pertain to the expenses and revenues for the sewer service, please provide responses as they pertain to the water service.

PSC-020

Regarding: Utility Solutions' Revenue
Witness: Unknown

- a. From October 27, 2005, to the date of your response, has Utility Solutions charged, billed, or collected any amount from any person or entity other than Four Corners Water and Sewer District that is not provided for in Utility Solutions' tariffs approved by the Public Service Commission?
- b. If so, please describe the charges, billings, or collections.
- c. Please identify the person preparing the response to this data request.

PSC-021

Regarding: Rate Base
Witness: Woods

- a. Please provide invoices supporting the Wastewater utility plant Rate Base valuation of \$2,305,028 and \$2,477,350 as shown on Statement C page 2 of 2 shown in the original request for interim rates and all changes from 2004 through 2006.
- b. Please provide invoices supporting the Water utility plant Rate Base valuation of \$922,158 and \$995,195 as shown on Statement C page 2 of 2 shown in the original request for interim rates and all changes from 2004 through 2006.

CERTIFICATE OF SERVICE

I hereby certify that a copy of **COMMISSION STAFF DATA REQUESTS PSC-001 THROUGH PSC-021 TO UTILITY SOLUTIONS, LLC** issued in consolidated dockets D2005.11.163 and D2005.11.164 in the matter of Utility Solutions, LLC - Applications to Implement Initial Rates and Charges for Water Service and Waste Water Service in its Elk Grove Subdivision, Gallatin County, Montana Service Area has today been served on all parties listed on the Commission's most recent service list, created 11/4/05, by mailing a copy thereof to each party by first class mail, postage prepaid.

Date: December 7, 2007

Donna Turkowski
For The Commission

Intervenor:

Montana Consumer Counsel

12/7/2007

Utility - Docket Service List

Docket no: D2005.11.163

MARY WRIGHT MONTANA CONSUMER COUNSEL	616 HELENA AVE 3RD FLOOR HELENA	MT	59620
RONALD R WOODS	355 MONTANA AVE MISSOULA	MT	59802
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BARBARA CAMPBELL UTILITY SOLUTIONS LLC	PO BOX 10098 BOZEMAN	MT	59719
KATE WHITNEY PUBLIC SERVICE COMMISSION	1701 PROSPECT AVE PO BOX 202601 HELENA	MT	59620-2601
ROBERT NELSON MONTANA CONSUMER COUNSEL	PO BOX 201703 HELENA	MT	59620-1703

UTILITY SOLUTIONS

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PUBLIC SERVICE
COMMISSION

January 18, 2008

Leroy J. Beeby, Rate Analyst
Montana Public Service Commission
PO Box 202601
Helena, MT 59620-2601

RE: Data Requests in Consolidated Docket Nos. D2005.11.163 & D2005.11.164

Dear Mr. Beeby,

Please find enclosed the Utility Solutions, LLC responses to staff data requests numbered PSC - 001 through PSC -021 for the above referenced dockets. The original is so noted and 10 copies are included.

I have, with assistance from staff , project engineer , and our accountant, prepared the responses. Rod Woods is ill and was unable to assist.

Please feel free to call if you have any questions regarding the responses or require any clarification about material submitted in the exhibits. cell # 406.581.8442, office #406.585.4166, e-mail dbltree1@qwest.net.

Sincerely,



 Barbara Campbell

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC-001 Regarding: Workpapers

Please provide all the workpapers submitted in this filing and the interim filing in EXCEL format with all formula intact.

Answer: Mr. Woods has been unavailable due to illness. Provided herewith are copies of the Supplemental Prefiled Direct Testimony of Ronald R Woods for Utility Solutions Docket No. D2005.11.163 (Sewer) and Docket No. D2005.11.164 (Water). The documents are in Exhibit PSC - 001 of this submittal.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC-002 Regarding: Workpaper 1

Are the values included in “allocated Elk Grove” column included in the corresponding
“Utility Solutions pro forma” column?

Answer: Yes, the “Utility Solutions Pro Forma” column is a representation of total
company operations.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC-003

Regarding: Management Contract

- a. Please provide a copy of the Management Contract referred to on Line 24 of Workpaper 1.

Answer: A copy of the Utility Solutions, LLC contract with Double-Tree, Inc. for management services is included as Exhibit PSC-003a.

- b. Please provide your workpapers determining the allocation of the management contract between the water and wastewater facilities.

Answer: The Double-Tree, Inc. Management Contract provides for a monthly management fee and reimbursement for employee cost. In Exhibit PSC - 003b is a copy of correspondence sent to Ron Woods regarding allocation of management costs in 2006. An attachment to that correspondence is an exhibit from the DEQ approved Facility Plan that gives a good narrative overview of Utility Solutions, LLC.

Allocation between water and sewer systems is based on direct employee time and approximates a one-third cost for water vs two-thirds for sewer operations.

On page 3 of Mr. Woods' direct testimony he further explains allocation of management costs by enterprise and regulated vs non-regulated areas.

- c. Please provide your workpapers determining the allocation of the management contract between Elk Grove and other Utility Solutions enterprises

Answer: See response to previous request and Mr. Woods' direct testimony.

- d. Do any of the owners/managers of Utility Solutions, LLC have any financial interest in Double-Tree, Inc.? If so, please provide percentage ownership and explain relationship.

Answer: Double-Tree, Inc. does not have an ownership interest in Utility Solutions, LLC. Double-Tree, Inc. is the non-member manager of Utility Solutions, LLC.

Double-Tree, Inc. is a single shareholder Montana corporation.
Barbara Campbell is the single shareholder of Double-Tree, Inc. (100% owner)

Barbara Campbell is a member of Utility Solutions, LLC. (45% membership interest)

- e. Do the owners/managers of Double-Tree, Inc. or Double-Tree itself have any financial interest in Utility Solutions, LLC?

Answer: Double-Tree, Inc. does not have an ownership interest in Utility Solutions, LLC.

Double-Tree, Inc. is owned by Barbara Campbell. Barbara Campbell is a member of Utility Solutions, LLC. (45% membership interest)

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC- 004 Regarding: Purchased Power

- a. Is the electricity for serving the Elk Grove Subdivision billed separately from other Utility Solution enterprises?

Answer: The water system serving the Elk Grove Subdivision is billed separate from other Utility Solutions enterprises. This cost is a direct expense. The water system serving Elk Grove is not interconnected to the water system serving the Four Corners County Water and Sewer District.

The electricity that runs the lift station that solely serves the Elk Grove sewer system is included in the electric bill that serves the wastewater treatment plant. The wastewater treatment plant serves Elk Grove and other Utility Solutions service areas. This cost is allocated by volume to Elk Grove and the other service areas. In 2006, flow meter data shows approximately 95% of the sewer volume was from the Elk Grove Subdivision. In 2007, flow meter data shows approximately 77% of wastewater flow through the treatment plant came from Elk Grove.

- b. If so, please provide copies of the power purchase statements. If not, please provide the actual power purchase expense incurred by month since the initial interim rate filing.

Answer: A spreadsheet showing actual power purchase expense from February 2006 to present and Northwestern Energy account summaries for each Utility Solutions, LLC power service is provided in Exhibit PSC-004b.

- c. Please show the derivation of the average monthly power cost of \$9.50 per EDU as mentioned on page 6 of 10 in your original testimony.

Answer: The \$9.50 per EDU shown in the original testimony came from the 2004 Utility Solutions Wastewater Facility Plan and the 2004 Utility Solutions Water Facility Plan. Both of those plans were prepared for and submitted to the Montana Department of Environmental Quality (MDEQ). Both plans were approved by MDEQ. Both plans were prepared by Morrison-Maierle, Inc. The \$9.50 was an estimate of power costs based on the type of equipment used in the facilities and review of like systems in operation at the time.

note: A 2006 update to the Utility Solutions Wastewater Facility Plan was approved by MDEQ in January 2007.

- d. Please provide the derivation of full build out for the entire service area of Utility Solutions, and the EDU computation for Elk Grove,

Answer: The Elk Grove Subdivision final plat approved the creation of 300 single family residential lots and 12 commercial lots. Based on DEQ 2 Chapter 10 a single family residence will generate a wastewater flow of 250 gallons per day. One Equivalent Dwelling Unit (EDU) equals 250 gpd. The 12 commercial lots will generate the equivalent of 49 EDUs for a total of 349 EDUs in the Elk Grove Subdivision.

The Utility Solutions contract with Four Corners County Water and Sewer District is for a portion of the District with 1,000 EDUs. That area is referred to as Service Area 2.

The Elk Grove Subdivision (349 EDUs) and Service Area 2 of the Four Corners County Water and Sewer District (1000 EDUs) are the only two areas within the "overall" or "entire" Utility Solutions service area currently with rates approved either by PSC or through the District.

The entire service area of Utility Solutions, LLC. is described in the 2006 US Wastewater Facility Plan approved by DEQ in January 2007. The wastewater volume (capacity) anticipated at a 20 year build out of that service area is 1,500,000 gallons per day. Dividing the 1.5M gpd by 250gpd/EDU gives a total service area potential of 6,000 EDUs.

- e. Is all service area that Utility Solutions services that is not include in the Elk Grove service areas, included in the Four Corners Water and Sewer District?

Answer: Utility Solutions only bills for services in Elk Grove through the PSC tariff or in the District through rates adopted by the District.

There are developed and undeveloped properties within the Utility Solutions service area that are currently not in the District and outside of Elk Grove. No service is sold to those properties. If any of those properties desire service they must either annex to the Four Corners County Water and Sewer District and be subject to rates implemented by the District or Utility Solutions will submit an application for rates to the PSC to sell service to those properties.

PSC-005 Regarding: Workpaper 2

- a. Please provide by month the actual monthly expenses from the initial rate filing through the most current available all expenses shown on Workpaper 2.

Answer: Exhibit PSC - 005a is a P& L for 2006 that shows operating revenue over operating expenses by month. It differs for Mr. Woods Workpaper 2 in that the construction and service expansion revenues have been removed. I believe both of those categories, which are Payments in Aide of Construction, are balance sheet items and should not have been identified as operating revenue.

- b. Please provide by month the actual monthly revenues from the interim rate filing through the most current available shown on Workpaper 2.

Answer: Please refer to Exhibit PSC - 005a and answer given above.

- c. Please explain in detail the "Service Expansion" and "Construction" revenues shown on page 1 of 3 in Workpaper 2.

Answer: The two numbers shown as "Service Expansion" and "Construction" revenue on page 1 of Workpaper 2 are both Payments in Aide of Construction. They are not operating income and should not be considered as operating income.

PSC-006 Regarding: Service Area

- a. Please provide a map of entire service area for Utility Solutions, including all subdivisions served and any proposed additional service areas.

Answer: See Exhibit PSC-006a

- b. Who established the service area for Utility Solutions?

Answer: Utility Solutions completed its first updated Wastewater Facility Plan in 2004. A wastewater Facility Plan is a planning and engineering document that identifies a service area and describes how a system, through expansion, can reasonably service that area as growth demands over a twenty year period. The 2004 plan provided for expansion of the Elk Grove wastewater treatment plan to 600,000 gpd within the 20 year build out period. Demand for capacity from the rapid growth in an around the US service area exceeded that volume by early 2006.

Utility Solutions personnel in conjunction with representatives from Morrison-Maierle hosted a series of meetings over a sixth month period in 2006 devoted to the preparation of the 2006 update to the Utility Solutions Wastewater Facility Plan.

The meetings were held to gather input from local government officials, neighboring jurisdictions, area land owners and private citizens about their view of water and sewer needs in the Gallatin River corridor extending south from Belgrade to the mouth of the Gallatin Canyon heading to Big Sky.

Persons attending the meetings included Gallatin County Planning Director and staff, Gallatin County Planning Board members, Gallatin County Commissioners, City of Bozeman personnel, City of Belgrade personnel, a local legislator, representatives from the Rae Water and Sewer District, representatives from the Four Corners County Water and Sewer District and several individual land owners.

During the same time period a group of Four Corners citizens with assistance from the Gallatin County Planning Department completed the Four Corners Neighborhood Plan which was subsequently adopted as a 'citizens initiated plan' by the Gallatin County Commission. Within that plan there is a strong emphasis on encouraging central water and sewer systems. The plan also has a boundary that encompassed and extended beyond the US 2004 service area.

The Four Corners area is shown as a growth area in the Gallatin County Growth Policy. Language in the County's growth policy also endorses centralized water

and sewer systems as opposed to the proliferation of individual wells and septic systems.

The series of work meetings looked at how existing central system providers (City of Belgrade, City of Bozeman, Rae WSD) and Utility Solutions could expand systems to answer to the demand for services in that rapid development area.

At the conclusion of the meetings, Utility Solutions proposed to

- 1) extend US service area boundary north to Cameron Bridge Road (a line that the City of Belgrade may expand south to in the future);
- 2) extend US service area boundary east to Love Lane to meet the City of Bozeman's westerly planned expansion boundary;
- 3) maintain the US service area boundary on the south at Blackwood Road; and
- 4) use a quarter mile setback from the Gallatin River as the service area western boundary.

The service area boundary described above and shown on the map provided in Exhibit PSC-006a nearly mirrors the boundary in the Four Corners Neighborhood Plan.

Using the service area described above Utility Solutions, LLC and Morrison-Maierle, Inc. prepared the 2006 updated Utility Solutions, LLC Wastewater Facility Plan. The plan was approved by MDEQ in January 2007.

- b. What is the capacity of Utility Solutions' water and wastewater plants that provide service to the Elk Grove Subdivision?

Answer: The water system serving the Elk Grove subdivision is capable of producing 404 acre feet per year from two existing wells. These wells pump to a storage reservoir. Water is delivered to the Elk Grove development from the reservoir through a booster station that is capable of producing a flow rate of 1590 gpm which includes 1000 gpm fire flow capacity. Of 404 acre feet available under the permit, the Elk Grove wells pumped 179.8 acres feet in 2007.

The wastewater system serving the Elk Grove development has an MDEQ approved Facility Plan which details the wastewater treatment plant expansion to 1,500,000 gpd. Currently 150,000 gpd of treatment is operational, 75,000 gpd of sludge digestion is operational and 300,000 gpd of disposal is constructed. Construction plans approved by MDEQ will expand all components to not less than 150,000 gpd in 2008.

- d. What is the average daily water usage and wastewater production for the Elk Grove Subdivision?

Answer: Metered data for water users in the Elk Grove Subdivision is available from 02/2006. Analysis of the data during months November through April indicate that domestic demand ranges from 130-156 gallons of water per day/home. During the irrigation season water delivery increases.

Please see Exhibit PSC - 006d for the metered volumes from February 2006 through December 2007. Also included in Exhibit PSC - 006d are copies of annual reports for 2006 and 2007 to DNRC for the water permit that serves Elk Grove.

Of 404 acre feet available under the permit, the Elk Grove wells pumped 179.8 acres feet in 2007.

Wastewater volumes produced from Elk Grove Subdivision are recorded. In 2006 the total volume of wastewater produced from the Elk Grove Subdivision was 12,266,736 gallons or 33,607 gallons per day. In 2007 the total volume was 12,267,763 or 33,610 gallons per day.

- e. Are there any customers served by Utility Solutions, LLC that are not either part of the Four Corners District or Elk Grove? If so, please provide all the particulars on those customers.

Answer: Utility Solutions does not have any paying customers that are not in the District or in Elk Grove.

US allowed Monforton School (K-8) to hook onto the sewer system in mid-2007 and has requested the District provide service to the school through their contract with Utility Solutions. The school is adjacent to properties currently being annexed to the District.

Utility Solutions, LLC has also issued three water meters to unoccupied structures in the Black Bull Subdivision. That subdivision is annexing to the District and all properties therein will be served by the District.

The following table summarizes the status of users and potential users.

table copied from 2006 Utility Solutions Wastewater Facility Plan

Status of Rate Jurisdiction - refer to Table 5, Page 12 Facility Plan text

	9/06 Status of service	rate jurisdiction
Elk Grove Subdivision	on-line	PSC - rate tariff
Northstar Subdivision	on-line	Four Corners WSD
Galactic Park Subdivision	on-line	Four Corners WSD
District Tier 1 annexations	on-line and/or available	Four Corners WSD
Bozeman Hot Springs Sub.	will serve issued	Four Corners WSD
Brookshire /Smith	will serve issued	Four Corners WSD
Black Bull Subdivision	will serve issued	requested annexation to WSD
Middle Creek Parklands Sub	will serve issued	requested annexation to WSD
Gallatin Heights Sub	will serve issued	requested annexation to WSD
Buckland Siding (was Cok)	will serve pending	requested annexation to WSD
Dykstra Farms	will serve pending	requested annexation to WSD

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 007 Regarding: Utility Solutions and developers

- a. Please provide an explanation of the relationship between Utility Solutions, including its members, managers, and employees, and any and all subdivision developers in the Utility Solutions service area.

Answer: Utility Solutions, LLC has agreed to allow the following subdivisions in its service area to interconnect to the central systems: the Northstar Subdivision, the Galactic Park Subdivision, the Brookshire Subdivision, the Buckland Siding project, the Black Bull Subdivision, the Middle Creek Parkland Subdivision, the Triple Creek Meadows Subdivision, the Dykstra Farms Subdivision, and the Gallatin Heights Subdivision.

Utility Solutions has no ownership interest in any of the entities that own the developments.

Water and sewer service to properties within any of those subdivision that are in (or will be annexed to) the Four Corners County Water and Sewer District will be through a contract with negotiated rates for services. The table on page 11 gives a summary.

Water and sewer service to any properties or a subdivision that is not under the District jurisdiction will be provided by rates approved by the PSC.

Double-Tree, Inc., non-member manager of Utility Solutions, LLC, has a membership in Valkyrie, LLC that developed the Northstar Subdivision.

Barbara Campbell, member of Utility Solutions, LLC has a membership interest in Valkyrie, LLC that developed the Northstar Subdivision.

Valkyrie, LLC is a member of New West Partners, LLC that developed the Galactic Park Subdivision.

Montana Ventures I, LLC is a member of Utility Solutions, LLC. The members of Montana Ventures I, LLC are also members of Montana Ventures II, LLC. Montana Ventures II, LLC has a membership in Valkyrie, LLC that developed the

Northstar Subdivision. Valkyrie, LLC is a member of New West Partners, LLC that developed the Galactic Park Subdivision.

- b. Please provide the relationship between Utility Solutions, LLC, including its members, managers, and employees, and any and all developers of Elk Grove subdivision.

Answer: Utility Solutions, LLC purchased the water system and sewer system that serves Elk Grove from Concinnity, LLC. The relationship between Concinnity, LLC and the developers at Elk Grove is unknown.

Utility Solutions, LLC, its manager, members and employees have no relationship with the developers of Elk Grove.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 008 Regarding: Articles of Organization

 Please provide a copy of the Articles of Organization of Utility Solutions, LLC

Answer: Please see Exhibit PSC - 008

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 009 Regarding: Tax Returns

Please provide copies of the partnership returns for Utility Solutions, LLC for 2005 and 2006.

Answer: A Motion for Protective Order has been filed without response as of the date of preparation to this request.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 010

What is the present buildout of Elk Grove both in terms of percentage and actual numbers?

Answer: As explained in PSC-004 Elk Grove is projected to have 349 EDUs at full buildout.

The last meter reading at Elk Grove was January 10, 2007. A total of 258 meters were read, all single family residences. This represents 258 EDUs or 81.66 %.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC 011 Regarding: Four Corners Water and Sewer District

Please provide a copy of the contract between Four Corners Water and Sewer District and Utility Solutions.

Answer: see Exhibit PSC -011

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 012 Regarding Workpaper 2, page 2 of 3

- a. please explain what the service expansion is for the subdivisions listed on lines 45 through 51.

Answer: The amounts reflected in lines 45 through 51 Workpaper 2 are for expenses related to extension of piping to identified properties. Cost include engineering fees, legal fees, permits, etc. A printout of the ledger is included in Exhibit PSC - 012. These were paid for with monies received as Payments in Aide of Construction so they should be considered as capital expenditures and not operating expenses.

- b. For the expenses listed on lines 67 through 77, if there is not a corresponding expense listed on lines 57 through 62, please explain why.

Answer: Below is a list of the items that appear in lines 67 through 77 under the heading "sewer Service - Elk Grove" but do not appear in lines 57 through 62 under the heading "Sewer Service- District ". An explanation is provided for each.

- | | | |
|----|-----------------|---|
| 67 | Chemicals | direct expenses for chemicals at the wastewater plant, 95 % of the flow at the plant in 2006 was from Elk Grove |
| 68 | Fuel | this is not for fuel that operates the plant or components therein. This is cost for gas and/or diesel used in vehicles for operators and staff. In 2007 we have modified our chart of accounts to make this expense an office expense. |
| 71 | Operators | this cost is for back-up operators that are not covered under the Double-Tree, Inc. management contract. |
| 74 | Rate Consulting | this is a direct costs and represents fees paid to Ron Woods |
| 75 | Supplies | this is for supplies related to operating the wastewater plant, 95 % of the flow at the plant in 2006 was from Elk Grove |

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 013 Regarding: Workpaper 2, page 2 of 3

- a. Please explain the disparity of maintenance expenses between those shown on line 58 and those shown on line 70, given the EDU allocation provided.

Answer: Line 70 is the maintenance expenses for Elk Grove. Exhibit PSC - 013d contains copies of invoices. Within those invoices there is a total of \$17,055 to Scenic City for sludge pumping and disposal. In 2007, we have included this cost under a separate line item as 'contracted services'. If the 2006 total for Elk Grove sewer maintenance (\$20,069) is reduced by the \$17,055 expended for sludge disposal the maintenance line would be \$3,014. However, the \$17,055 would still need to be included as a line item for Elk Grove sewer.

The costs for maintenance under District sewer total \$5,682. Copies of invoices are included in Exhibit PSC - 013d.

- b. Please provide the same for Testing, Property Tax, and Utilities.

Answer: A breakdown of testing expenses copies of general ledger sheets showing vendor, date of payment, and amount of payment are included in Exhibit PSC - 013b.

A breakdown of property taxes and copies of tax statements are given in response to PSC- 015 and Exhibit PSC - 015c.

A breakdown of utility costs and copies of energy billings ins given in response to PSC- 004 and Exhibit PSC - 004b.

- c. Are the Sewer Service Expenses shown direct expenses or are they allocated? If allocated please provide workpapers deriving allocation and methodology.

Answer: Expenses shown are direct expenses.

- d. Please provide copies of invoices supporting maintenance shown on lines 58 and 70 of your workpapers.

Answer: General ledger printouts with supporting invoices for lines 58 and 70 are in Exhibit PSC - 013d.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 014 Regarding Workpaper 2, page 2 of 3

- a. Are the subdivisions listed on lines 46 through 51 members of and or located in the Four Corners Water and Sewer District?

Answer: The subdivisions and/or properties shown on lines 46 through 51 are not currently in the District but all are in various stages of the annexation process to the District.

- b. Is Utility Solutions servicing them?

Answer: No service is currently provided to the subdivisions listed.

The subdivisions listed are 0% built-out. Two have final plat approval from Gallatin County Commission (Black Bull and Circle F for Middle Creek Parkland Subdivision). Main extension work is ongoing to Gallatin Heights as of January 2008. Buckland Siding is due to construct main extension upon DEQ approval. Cameron Bridge and Hughes Morton are the same property....that project has a preliminary plat approval and is in design.

Utility Solutions will not provide service without an approved rate structure from either the District or PSC to any properties.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC -015 Regarding: Workpaper 2, page 2 of 3 - Property Taxes - Sewer

- a. Do the property taxes shown on line 60 and 73 share any properties jointly between the District and Elk Grove?

Answer: Yes, the District and Elk Grove jointly share one property which is the wastewater treatment plant that is located on a utility lot in the Elk Grove Subdivision.

- b. If so, please provide the allocation between entities.

Answer: In 2006 the District use of the wastewater treatment plant was 5% and Elk Grove's use of the plat was 95% based on volume of flow.

- c. Please provide copies of the property tax assessments with a reconciliation of those assessments to Lines 60 and 73.

Answer: see Exhibit PSC - 015c for copies of property tax assessments and a reconciliation of lines 60 and 73.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 016 Regarding: Workpaper 2, page 2 of 3 - Expenses - general

Please provide invoices supporting and reconciliation of the expenses listed on lines 67 through 77.

Answer: General ledger sheets that list invoices, vendor , check number and date paid for each category of expense list on lines 67 through 77 are in Exhibit PSC - 016.

PSC - 017 Workpaper 3

- a. Please provide by month the derived revenues shown on line 7.

Answer: Derived revenues by month are shown in Exhibit PSC - 017a.

- b. Please provide invoices supporting and reconciliation to the allocated Common expenses.

Answer: Mr. Woods explains his allocation of Management fees and legal fees (under professional fees) in the narrative of his testimony. Managements fees are also explained in PSC-003.

Without Mr. Woods input as to which expense items he included in lines 31 through 34 I cannot fully answer this request. When Mr. Woods is able to assist I will supplement this response.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 018 Regarding: Workpaper 3

Please provide an income statement in similar form as your Workpaper 3 for the water utility.

Answer: I believe the income statement requested has already been provided as Workpaper 3 of the Supplemental Water filing prepared by Mr. Woods.

Responses to Data Requests dated December 7, 2007
Consolidated Docket No. D20005.11.163 and Docket No. D2005.11.164

PSC - 019 Regarding: Water Service Income Statement

For the questions above that pertain to the expenses and revenues on the sewer service please provide responses as they pertain to the water service.

Answer: For each of the items listed for sewer, i.e. management, property taxes, power purchases, testing...the answers also include the information for the water system

PSC - 020 Regarding: Utility Solutions' Revenue

- a. From October 27, 2005, to the date of your response, has Utility Solutions charged, billed, or collected any money from any person or entity other than Four Corners Water and Sewer District that is not provided for in Utility Solutions' tariffs approved by the Public Service Commission?

Answer: No. Utility Solutions, LLC has not charged, billed, or collected money for services from any person or entity other than the Four Corners County Water and Sewer District or tariffs approved by the PSC for Elk Grove.

- b. If so, please describe the charges, billings, or collections.
- c. Please identify the person preparing the response to the data request.

Answer: Barbara Campbell

PSC - 021 Regarding: Rate Base

- a. Please provide invoices supporting the Wastewater utility plant Rate Base valuation of \$2,305,028 and \$2,477,350 as shown on Statement C page 2 of 2 shown in the original request for interim rates and all changes from 2004 to 2006.

Answer: Utility Solutions, LLC purchased the water system and sewer system serving Elk Grove in 2003 from Concinnity, LLC. The price for both systems was \$2,900,000. The price was not separated into an amount for the water system vs the sewer system.

US engaged Galusha, Higgins, and Galusha, an accounting firm in Bozeman, to determine what portion of the purchase price was applicable to the water system and what part was applicable to the sewer system. Using "as built" plans, an inventory of fixed equipment, and invoices for construction made available from Concinnity, Galusha determined the amounts to be used for asset valuation and subsequent depreciation scheduling. See Exhibit PSC - 021a.

An asset depreciation report dated Dec. 31, 2006 shows improvements to the wastewater facility with a total cost for assets to that date of \$10,880,234. See tab B under Exhibit PSC -021a.

- b. Please provide invoices supporting the Water utility plant Rate Base valuation of \$922,158 and \$995, 195 as shown on Statement C page 2 of 2 shown in the original request for interim rates and all changes from 2004 through 2006.

Answer: see Exhibit PSC -021a and tab B

MANAGEMENT CONTRACT

This Agreement is entered into this 1 day of January, 2006 by and between **UTILITY SOLUTIONS, LLC** a Montana limited liability company with its principal place of business located in Gallatin County, Montana ("US") and **DOUBLE-TREE INC.**, with its principal place of business located in Gallatin County, Montana ("Double- Tree").

Witnesseth:

WHEREAS, US has planned, designed, constructed, and acquired facilities to be a regional provider of water and sewer services in the greater Four Corners area of Gallatin County, Montana; and

WHEREAS, US is a public utility, privately owned that provides planning, financing for construction, management, and operation of public wastewater system and public water systems; and

WHEREAS, US desires to engage Double-Tree to render necessary services related to the management of US; and

WHEREAS, the Operating Agreement for US provides that it will enter into a management agreement with Double-Tree;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

1. **EMPLOYMENT OF DOUBLE-TREE** US agrees to engage Double-Tree, and Double-Tree agrees to provide management services related to the coordination of activities necessary in the management of US business.

It is understood and agreed that Double-Tree may enter into another written agreement or contracts for services with other parties or entities, which agreements or contracts for services the parties agree will enhance the interests of US and/or will not interfere with work that Double-Tree performs for US.

2. **INDEPENDENT CONTRACTOR.** It is understood by the parties hereto that Double-Tree is an independent contractor and that neither its principals nor its employees, are employees of US for purposes of tax, retirement system, or social security (FICA) withholding. It is further understood that pursuant to Section 39-71-401, MCA, Double-Tree has obtained, and will maintain at its expense for the duration of the contract, coverage in a worker's compensation plan for its principals and employees for the services to be performed hereunder.

3. **EFFECTIVE DATE AND TIME OF PERFORMANCE.** The effective date of this Agreement is September 1, 2006. The services to be performed by Double-Tree will continue through until the parties terminate this Agreement, as discussed in paragraph 7 below.

4. **SCOPES OF SERVICES.** US is contracting with Double-Tree to provide all management services necessary for the day-to-day operations, including but not limited to,

- Executive Management - activities for overall business management, staff management, construction and long term financing, contract and easement negotiation, financial management, facility planning, coordination of preparation, submittal, and review of documentation to regulatory agencies including the Montana Department of Environmental Quality, Montana Department of Natural Resources and Conservation, Environmental Protection Agency, Montana Public Service Commission, Four Corners County Water and Sewer District, Gallatin County local boards of review.
- Bookkeeping/Accounting -accounts receivable, accounts payable, preparation of financial statements, accounts management, payroll/HR
- Construction Management -coordination with project engineers, coordination with general and subcontractors, inspections
- Billing/ Receiving/Customer Service - meter reading, Black Mountain Software database management, billings, customer service, web site management
- Operations Management -water and sewer plant management, SCADA system management, systems optimization, supervising operators
- Licensed Operators -Wastewater Class II Operator (licensed) - daily plant operations, lift station operation and maintenance, infrastructure operations and maintenance, repairs and maintenance, testing and reporting
Water Operators (licensed) - water plants(s) daily operations, water meter supply, repair, infrastructure repairs and maintenance, testing and reporting
- Backup Operators - on call licensed operators for wastewater and water systems

It is understood and agreed by the parties that the services of Double-Tree do not include any of the following: (a) and legal advice, or (b) fiscal audits.

Double-Tree will initiate and facilitate all activities related to the implementation and successful completion of the work contemplated by this Agreement and US agrees to allow Double-Tree to identify and engage other staff and project participants on US's behalf and with US's approval. It is understood that Barbara Campbell will be providing the primary consulting and management services for Double-Tree.

5. **COMPENSATION.** For the services contemplated by this Agreement, US agrees to pay Double-Tree a base sum of Three Hundred Thousand and No/100 Dollars (\$300,000.00) per year (the "Annual Management Fee"). Such payment shall be paid in monthly increments due on the first of each month beginning September 1, 2006 and shall continue until this Agreement terminates.

In addition to the Management Fee, US shall reimburse Double-Tree for reasonable costs and expenses incurred by Double-Tree including all employee salaries, employee benefits, payroll burden, and equipment/office expenses. Double-Tree shall provide US with copies of all invoices or other indicia of costs incurred in connection with any request for reimbursement. Requests for reimbursement shall be made once a month and are subject to the review and approval of US.

US shall also compensate Double-Tree and amount not to exceed ten percent (10%) of all construction/capacity contracts for construction management and inspection services rendered.

6. **MODIFICATION AND ASSIGNABILITY OF CONTRACT.** This Agreement contains the entire agreement between the parties, and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in the written Contract, are valid or binding. This Agreement may not be enlarged, modified, or altered, except upon written agreement signed by both parties hereto. Double-Tree may not assign its rights or duties arising hereunder without the prior written consent of US. Only Barbara Campbell of Double-Tree, is authorized to make contractual changes on behalf of Double-Tree. US and Double-Tree will not disclose the terms and conditions of this agreement without written consent from both parties.

7. **TERMINATION OF CONTRACT.** This contract may be terminated as follows:

A. **Termination for cause.**

- (i) If, at any time during the term of this Agreement, one of the parties determines that the other party has failed to comply with any of the terms and conditions of this Agreement, the aggrieved party may give notice, in writing, to the defaulting party of any deficiencies claimed. The notice will be sufficient for all purposes if it describes the default in general terms. If the defaulting party fails to cure and correct all defaults claimed within a reasonable period to be specified in the notice, the aggrieved may, with no further notice, declare this Agreement to be terminated, in whole or in part.
- (ii) If Double-Tree is the defaulting party, it will thereafter be entitled to receive payment for those services satisfactorily performed to the date of termination, less the amount of reasonable damages suffered by US by reason of Double-Tree's

failure to comply with the Agreement's terms and conditions.

- (iii) If US is the defaulting party, it will pay Double-Tree for those services satisfactorily performed to the date of termination, plus the amount of reasonable damages suffered by Double-Tree by reason of US's failure to comply with the Agreement's terms and conditions.
- (iv) Notwithstanding the above, the defaulting party is not relieved of a liability to the aggrieved party for damages sustained by the aggrieved party by virtue of any breach of this Agreement.
- (v) If Double-Tree is the defaulting party, US may withhold any payments to Double-Tree for purpose of set off until the exact amount of damages due US from Double-Tree is determined.

B. Termination by mutual consent.

- (i) The contract may be terminated by mutual consent if at anytime prior to completion of the proposed project both parties agree there is a minimal likelihood of achieving the outcome anticipated.

8. MISCELLANEOUS

A. All parties to this Agreement Represent that they have had an opportunity to review this Agreement with the respective legal counsel and that they are executing the same voluntarily and without duress. In this regard, the parties hereto acknowledge that consent to the fact that Kasting, Kauffman & Mersen, P.C. has represented Double-Tree in connection with this Agreement.

All members of US have had an opportunity to have their own counsel review this Agreement, agree that Kasting, Kauffman & Mersen's role in drafting this Agreement does not present a conflict of interest and to, the extent such conflict would exist, they expressly waive any such conflict.

B. Any notice or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been delivered, given, and received for all purposes (i) if delivered personally to US, LLC or Double-Tree, Inc., through their authorized agents, or (ii) when the same is sent if sent either by registered or certified mail, postage and charges prepaid, addressed as follows, or to such other address as such party may from time to time specify by notice to the other party:

UTILITY SOLUTIONS, LLC
PO Box 10098
Bozeman, MT 59715

Double-Tree, Inc.
4080 S. 3rd Rd.
Bozeman, MT 59719

C. In the event either party brings suit to enforce the terms of this Agreement or in

the event there is a breach of any of the representations or warranties contained herein, the non-breaching party shall be entitled to recovery their reasonable attorney's fees, together with the cost of suit, if one is brought, and any other consequential damages.

D. Choice of Law The terms of this Agreement shall be governed by the construed in accordance with the laws of the State of Montana and any suit brought to enforce this Assignment shall be brought in the Eighteenth Judicial District Court, Bozeman Montana.

E. Headings The Heading used herein are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any provision contained herein.

F. Severability If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

G. Further Assurances All parties will cooperate in executing all further documents necessary to effect the transactions discussed herein.

IN WITNESS WHEREOF, The parties hereto have executed this Agreement on the 1 day of August, 2006.

DOUBLE-TREE, INC.

By: Barbara Campbell
Barbara Campbell, President

UTILITY SOLUTIONS, LLC

By: Guy M. Graves
Guy Graves
Montana Ventures I, member

Exhibit PSC-001

Watu

Utility Solutions, LLC
PO Box 10098
Bozeman, MT 59719

August 12, 2007

Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

RE: Docket Nos. D2005.11.163 and D2005.11.164 – Utility Solutions

Please consider this letter request an application for final approval of Utility Solutions interim rates and charges filed in Docket Nos. D2005.11.163 and D2005.11.164. Pursuant to Commission order in those Dockets Utility Solutions was to file an application no later than July 1, 2007 requesting final approval. Pursuant to a request from Utility Solutions for an extension of time to file its application the Commission authorized an extension until August 15, 2007.

Enclosed you will find 10 copies of supplemental direct testimony and exhibits filed by Ronald Woods in support of Utility Solutions request for final approval of rates. In addition to filing this application with the Commission, Utility Solutions has also provided three copies to the Montana Consumer Counsel's office. The Company has designated Ronald Woods, 355 Montana Avenue, Missoula, Montana 59802, telephone (406) 543-7806, as the person responsible for answering questions or for referring inquiries to the appropriate person. The testimony and exhibits indicate that Utility Solutions' rates and charges as proposed in the original filing and given interim approval by the Commission are just and reasonable.

Utility Solutions requests final approval of its interim rates at the Commission's earliest possible convenience.

Sincerely,

Barb Campbell / by RR W
Barbara Campbell

Cc: Montana Consumer Counsel
PO Box 201703
Helena, MT 59620-1703

**BEFORE THE
MONTANA PUBLIC SERVICE COMMISSION**

**SUPPLEMENTAL PREFILED DIRECT TESTIMONY
RONALD R. WOODS**

Q. Please state your name, business address and affiliation with Utility Solutions, LLC water utility.

A. My name is Ronald R. Woods. My business address is 355 Montana Avenue, Missoula, Montana. I am a consultant retained by Utility Solutions to provide regulatory consulting services to its water utility in connection with the filing of initial water rates with the Montana Public Service Commission.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present financial exhibits and data supporting Utility Solutions' application for implementation of initial rates. In the Commission's Interim Order No. 6707 in Docket No. D2005.11.163 the Commission ordered that Utility Solutions file an application for final order and permanent rates based on a test year of income and expenses ending not later than January 9, 2007. Utility Solutions has completed one year of operation under the interim rates and is now making its financial showing regarding the reasonableness of its proposed rates and charges.

Q. Are you sponsoring any exhibits or work papers as part of your supplemental testimony?

A. Yes. I am sponsoring three work papers. Workpaper-1 replicates the projected operating statement presented with the original filing, which for reference is Schedule 38.5.156 of that filing. This work paper is being presented for the purpose of easy comparison between the actual operating results achieved by Utility Solutions under the rates and charges approved by the Commission and those projected in the original filing.

Workpaper-2 is the total company operating statement reflecting the overall operating results achieved by Utility Solutions from both its regulated and unregulated utility operations. As stated in my original testimony, Utility Solutions is providing service in its Elk Grove service area on a monthly fee basis under rates and charges approved

and regulated by the Montana Public Service Commission. In its remaining service territory it is providing service on a contract basis to subscribers of the Four Corners County Water and Sewer District (District). Because of the existence of a contract between Utility Solutions and the District, the rates and charges presently being assessed within the District boundaries are not being regulated by the Commission

Workpaper-3 is the regulated income statement for Utility Solutions Elk Grove service area. This operating statement reflects the actual revenues earned during the period and the allocated expense associated with the provision of service to customers in the Elk Grove service territory.

Q. Would you describe the contents of each of your work papers?

A. As I stated previously, this Workpaper-1 replicates the operating statement presented by me in the original filing with the Commission requesting interim approval of initial rates. The contents of this work paper are fully described in my original testimony and exhibits I, therefore, will not burden this filing by reiterating that testimony.

Workpaper-2 consists of 3 pages and I believe it is self-explanatory it is the total company operating statement as reflected on the books and records of Utility Solutions.

Workpaper-3 is the regulated income statement of Utility Solutions for its Elk Grove service area as presented in the Annual Report filed with the Commission and an adjusted income statement reflecting the fact that full occupancy has not been achieved within Utility Solutions service area. For purposes of filing the annual report with the Commission Utility Solutions allocated its common expenses to its various operating divisions based on actual employee time devoted to each division. While this is a reasonably fair representation of actual operating results for financial reporting purposes it ignores that full occupancy has not been achieved and that employee time will shift between operating divisions as that occupancy pattern changes. Column A of Workpaper-3 provides the account descriptions as shown in

the annual report to the Commission and as represented on the total company operating statement. Column B reflects the entries, by account, as shown on the annual report to the Commission. Column D shows the operating statement information in a format consistent with that used by Utility Solutions on its internally generated financials, as adjusted, to reflect that full subscription of service has not occurred. I have chosen to present the information in the format shown in Column D because it is more detailed than the information contained in the annual report.

If you refer to Workpaper-2 the total company operating statement for Utility Solutions you will see under the heading "Water Service - Elk Grove" a detailed listing of its direct charges to the utility operation. These direct charges to the utility operation are listed on lines 13 through 23 in Column D. For annual reporting Utility Solutions has included a portion of these direct expenses in "Other Expense." For clarity in this filing I believe it appropriate to detail this information. This change in presentation results in the removal of \$9,259 from the "Other Expense" account and assigns them to the direct expense category.

I have made two other adjustments to the operating results of Utility Solutions as presented to the Commission in the annual report. The first is the allocation percentage used to assign "Management Fee" to the regulated operation. As stated earlier, for annual reporting purposes, Utility Solutions assigned this cost based on actual employee time devoted to each division I have modified that allocation. I chose to allocate this expense using the same percentage used in the original application as it is more representative of management costs at full build out in the service area. Use of the 7% allocation factor from the original filing reduced this expense by \$28,513. Secondly I adjusted "Professional Fees" charged to the utility operation. In discussions with utility personnel it was determined that \$134,114 of legal fees, a portion of which was allocated to the utility operation, did not benefit subscribers in the service area. I therefore eliminated these costs from consideration before allocating professional fees to the utility. The elimination of these costs reduced utility expenses by \$21,458.

Column D of Workpaper-3, in my opinion, provides a fairly reasonable representation of the current operating position of Utility Solutions regulated enterprise at its present level of build out.

Q. Does that conclude your supplemental testimony?

A. Yes.

	A	C
1	38.5.156 Proforma Income Statement Page 1 of 1 - Statement G	
2		<u>Allocated Elk Grove</u>
3		
4	<u>Description</u>	
5		
6	<u>Revenue</u>	
7	Elk Grove	\$163,978
8		
9	Total	\$163,978
10		
11	<u>Pumping-Water Treatment</u>	
12	Purchased Power	\$16,753
13	Chemicals	\$500
14	Miscellaneous Testing	\$3,000
15	Materials and Supplies	\$3,500
16		
17	Total	\$23,753
18		
19	<u>Customer Accounts & Service</u>	
20		
21	Management Contract	\$21,840
22	Office Expense	\$4,553
23	Legal Fees/Accounting	\$3,794
24	Insurance	\$4,000
25		
26	Total	\$34,187
27		
28	<u>Taxes Other than Income</u>	
29	Property Taxes	\$347
30	PSC Tax	\$492
31	MCC Tax	\$180
32	DEQ PWSP	\$600
33		
34	Total	\$1,619
35		
36	Depreciation	\$46,933
37		
38	State Income Taxes	\$0
39	Federal Income Tax	\$0
40		
41	Total Expenses	\$106,492
42		
43	Net Operating Income	\$57,486

	A	B	C	D	E	F	G
1	Utility Solutions Total Company Income Statement Year Ended December 31, 2006 Page 1 of 3						
2							
3	<u>Description</u>						
4							
5	<u>Operating Revenues</u>						
6	Construction (CIAC)	\$1,289,398					
7	District Contract	\$303,483					
8	Late Fees	\$48					
9	Elk Grove Sewer	\$132,991					
10	Elk Grove Water	\$95,681					
11	Service Expansion	\$409,559					
12							
13	Total Revenues	\$2,231,160					
14							
15	<u>Operating Expenses</u>						
16							
17	<u>Unassigned Common Expenses</u>						
18	Amortization Expense	\$124					
19	Automobile Expense	\$48					
20	Bank Service Charges	\$182					
21	Computer/Billing Supplies	\$2,818					
22	Dues and Subscriptions	\$74					
23	Education	\$293					
24	Employee Reimbursement	\$300					
25	Equipment Rental	\$12,000					
26	Fuel	\$477					
27	Insurance Liability	\$9,280					
28	Insurance Property	\$19,734					
29	Interest Expense	\$206,745					
30	Licenses and Permits	\$1,423					
31	Management Fee	\$324,663					
32	Mileage Reimbursement	\$167					
33	Office Expense	\$803					
34	Office Supplies	\$343					
35	Postage and Delivery	\$1,220					
36	Accounting Fees	\$775					
37	Legal Fees	\$153,353					
38	Rent	\$7,700					
39	Equipment Repairs	\$1,170					
40							
41	Sub Total Unassigned Expenses	\$743,692					
42							

	A	B	C	D	E	F	G
43	<u>Direct Expenses Assigned</u>						Page 2 of 3
44							
45	<u>Service Expansion</u>						
46	Black Bull	\$50,250					
47	Buckland	\$400					
48	Cameron Bridge	\$263					
49	Circle F	-\$6,567					
50	Gallatin Heights	\$6,748					
51	Hughes Morton	\$44					
52	Permits and Fees	\$3,400					
53							
54	Total Service Expansion	\$54,538					
55							
56	<u>Sewer Service - District</u>						
57	Legal	\$5,885					
58	Maintenance	\$5,682					
59	Permits	\$2,400					
60	Property Tax	\$2,651					
61	Testing	\$188					
62	Utilities	\$9,994					
63							
64	Total Sewer Service - District	\$26,800					
65							
66	<u>Sewer Service - Elk Grove</u>						
67	Chemicals	\$2,435 ✓					
68	Fuel	\$3,678 ✓					
69	Licenses and Permits	\$1,270					
70	Maintenance	\$20,069 ≡					
71	Operator	\$2,990 ✓					
72	Permits	\$1,126					
73	Property Tax	\$3,306					
74	Rate Consulting	\$1,250 ✓					
75	Supplies	\$979 ✓					
76	Testing	\$2,258					
77	Utilities	\$7,980					
78							
79	Total Sewer Service - Elk Grove	\$47,341					

	A	B	C	D	E	F	G
80							Page 3 of 3
81	<u>Water Service - District</u>						
82	Property Taxes	\$4,622					
83	Telephone	\$1,880					
84	Chemicals	\$215					
85	Fees	\$175					
86	Generator Fuel	\$1,100					
87	Legal	\$24,412					
88	Maintenance	\$3,500					
89	Operations	\$5,066					
90	Permits	\$4,060					
91	Supplies	\$3,658					
92	Testing	\$4,356					
93	Utilities	\$12,671					
94							
95	Total Water Service - District	\$65,715					
96							
97	<u>Water Service - Elk Grove</u>						
98	Fuel	\$160					
99	Legal	\$44					
100	Maintenance - Supplies	\$695					
101	Operator	\$5,076					
102	Permits	\$450					
103	Property Tax	\$1,153					
104	Rate Consulting	\$1,250					
105	Repairs and Maintenance	\$872					
106	Testing	\$1,841					
107	Travel	\$238					
108	Utilities	\$8,482					
109							
110	Total Water Service - Elk Grove	\$20,261					
111							
112		\$958,347					

	A	B	C	D	E	F
1	Elk Grove Allocated Income Statement Year Ended December 31, 2006					
2						
3	<u>Operating Revenues</u>		Per Annual Report		Compliance Filing	
4						
5	Elk Grove Water		\$95,681		\$95,681	
6	Late Fees		\$24		\$24	
7	Total Operating Revenues		\$95,705		\$95,705	
8						
9	<u>Operating Expenses</u>					
10						
11	<u>Direct Expenses Assigned</u>					
12						
13	Fuel		\$160		\$160	
14	Legal				\$44	
15	Maintenance - Supplies				\$695	
16	Operator				\$5,076	
17	Permits				\$450	
18	Property Tax				\$1,153	
19	Rate Consulting		\$1,250		\$1,250	
20	Repairs and Maintenance		\$872		\$872	
21	Testing				\$1,841	
22	Travel		\$238		\$238	
23	Utilities		\$8,482		\$8,482	
24						
25	Total Direct Expenses		\$11,002		\$20,261	
26						
27	<u>Allocated Common Expenses</u>					
28						
29	Management Fee		\$51,239		\$22,726	
30	Professional Fees		\$24,660		\$3,202	
31	Equipment Rental		\$1,920		\$1,920	
32	Insurance Expense		\$4,642		\$4,642	
33	Other Expenses		\$13,042		\$3,783	
34						
35	Total Allocated Expenses		\$95,504		\$36,274	
36						
37	Depreciation Expense		\$43,646		\$43,646	
38						
39	Total Operating Expenses		\$150,152		\$100,181	
40						
41	Net Income		-\$54,447		-\$4,476	

Sever

Utility Solutions, LLC
PO Box 10098
Bozeman, MT 59719

August 12, 2007

Kate Whitney
Montana Public Service Commission
1701 Prospect Avenue
Helena, MT 59620

RE: Docket Nos. D2005.11.163 and D2005.11.164 – Utility Solutions

Please consider this letter request an application for final approval of Utility Solutions interim rates and charges filed in Docket Nos. D2005.11.163 and D2005.11.164. Pursuant to Commission order in those Dockets Utility Solutions was to file an application no later than July 1, 2007 requesting final approval. Pursuant to a request from Utility Solutions for an extension of time to file its application the Commission authorized an extension until August 15, 2007.

Enclosed you will find 10 copies of supplemental direct testimony and exhibits filed by Ronald Woods in support of Utility Solutions request for final approval of rates. In addition to filing this application with the Commission, Utility Solutions has also provided three copies to the Montana Consumer Counsel's office. The Company has designated Ronald Woods, 355 Montana Avenue, Missoula, Montana 59802, telephone (406) 543-7806, as the person responsible for answering questions or for referring inquiries to the appropriate person. The testimony and exhibits indicate that Utility Solutions' rates and charges as proposed in the original filing and given interim approval by the Commission are just and reasonable.

Utility Solutions requests final approval of its interim rates at the Commission's earliest possible convenience.

Sincerely,

Barb Campbell/uy RRA

Barbara Campbell

Cc: Montana Consumer Counsel
PO Box 201703
Helena, MT 59620-1703

**BEFORE THE
MONTANA PUBLIC SERVICE COMMISSION**

**SUPPLEMENTAL PREFILED DIRECT TESTIMONY
RONALD R. WOODS**

Q. Please state your name, business address and affiliation with Utility Solutions, LLC sewer utility.

A. My name is Ronald R. Woods. My business address is 355 Montana Avenue, Missoula, Montana. I am a consultant retained by Utility Solutions to provide regulatory consulting services to its sewer utility in connection with the filing of initial sewer rates with the Montana Public Service Commission.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present financial exhibits and data supporting Utility Solutions' application for implementation of initial rates. In the Commission's Interim Order No. 6708 in Docket No. D2005.11.164 the Commission ordered that Utility Solutions file an application for final order and permanent rates based on a test year of income and expenses ending not later than January 9, 2007. Utility Solutions has completed one year of operation under the interim rates and is now making its financial showing regarding the reasonableness of its proposed rates and charges.

Q. Are you sponsoring any exhibits or work papers as part of your supplemental testimony?

A. Yes. I am sponsoring three work papers. Workpaper-1 replicates the projected operating statement presented with the original filing, which for reference is Schedule 38.5.156 of that filing. This work paper is being presented for the purpose of easy comparison between the actual operating results achieved by Utility Solutions under the rates and charges approved by the Commission and those projected in the original filing.

Workpaper-2 is the total company operating statement reflecting the overall operating results achieved by Utility Solutions from both its regulated and unregulated utility operations. As stated in my original testimony, Utility Solutions is providing service in its Elk Grove service area on a monthly fee basis under rates and charges approved

and regulated by the Montana Public Service Commission. In its remaining service territory it is providing service on a contract basis to subscribers of the Four Corners County Water and Sewer District (District). Because of the existence of a contract between Utility Solutions and the District, the rates and charges presently being assessed within the District boundaries are not being regulated by the Commission

Workpaper-3 is the regulated income statement for Utility Solutions Elk Grove service area. This operating statement reflects the actual revenues earned during the period and the allocated expense associated with the provision of service to customers in the Elk Grove service territory.

Q. Would you describe the contents of each of your work papers?

A. As I stated previously, this Workpaper-1 replicates the operating statement presented by me in the original filing with the Commission requesting interim approval of initial rates. The contents of this work paper are fully described in my original testimony and exhibits I, therefore, will not burden this filing by reiterating that testimony.

Workpaper-2 consists of 3 pages and I believe it is self-explanatory it is the total company operating statement as reflected on the books and records of Utility Solutions.

Workpaper-3 is the regulated income statement of Utility Solutions for its Elk Grove service area as presented in the Annual Report filed with the Commission and an adjusted income statement reflecting the fact that full occupancy has not been achieved within Utility Solutions service area. For purposes of filing the annual report with the Commission Utility Solutions allocated its common expenses to its various operating divisions based on actual employee time devoted to each division. While this is a reasonably fair representation of actual operating results for financial reporting purposes it ignores that full occupancy has not been achieved and that employee time will shift between operating divisions as that occupancy pattern changes. Column A of Workpaper-3 provides the account descriptions as shown in

the annual report to the Commission and as represented on the total company operating statement. Column B reflects the entries, by account, as shown on the annual report to the Commission. Column D shows the operating statement information in a format consistent with that used by Utility Solutions on its internally generated financials, as adjusted, to reflect that full subscription of service has not occurred. I have chosen to present the information in the format shown in Column D because it is more detailed than the information contained in the annual report.

If you refer to Workpaper-2 the total company operating statement for Utility Solutions you will see under the heading "Sewer Service - Elk Grove" a detailed listing of its direct charges to the utility operation. These direct charges to the utility operation are listed on lines 13 through 23 in Column D. For annual reporting Utility Solutions has included a portion of these direct expenses in "Other Expense" and "Contractual Services." For clarity in this filing I believe it appropriate to detail this information. This change in presentation results in the removal of \$5,702 from the "Other Expense" category and totally eliminates "Contractual Services" as they are included in the direct expense category. The \$6,498 "Contractual Services" amount shown on the annual report consists of the of following direct expense categories "Regulatory Consulting", "Testing" and "Operator."

I have made two other adjustments to the operating results of Utility Solutions as presented to the Commission in the annual report. The first is the allocation percentage used to assign "Management Fee" to the regulated operation. As stated earlier, for annual reporting purposes, Utility Solutions assigned this cost based on actual employee time devoted to each division I have modified that allocation. I chose to allocate this expense using the same percentage used in the original application as it is more representative of management costs at full build out in the service area. In the original application 71% of the management fee was charged to the sewer utility operation ($\$221,520/\$312,000 = .71$) for purposes of this filing I have continued that percentage relationship. Using the 71% to develop a total management fee chargeable to regulated an unregulated sewer operations produces a

charge of \$230,510 ($\$324,663 * .71 = \$230,510$). I then applied the 25.9% allocation factor from the original filing to calculate a management fee for regulated sewer services of \$59,702 ($\$230,510 * .259 = \$59,702$). This adjustment to the management fee calculation decreases this expense by \$17,157. Secondly I adjusted "Professional Fees" charged to the utility operation. In discussions with utility personnel it was determined that \$134,114 of legal fees, a portion of which was allocated to the utility operation, did not benefit subscribers in the service area. I therefore eliminated these costs from consideration before allocating professional fees to the utility. The elimination of these costs reduced utility expenses by \$31,806.

Column D of Workpaper-3, in my opinion, provides a fairly reasonable representation of the current operating position of Utility Solutions regulated enterprise at its present level of build out.

Q. Does that conclude your supplemental testimony?

A. Yes.

	A	B	C	D
1	38.5.156 Proforma Income Statement Page 1 of 1			Workpaper -1
2		<u>Utility Solutions</u>	<u>Allocated Elk Grove</u>	
3		<u>Pro forma</u>		
4	<u>Description</u>			
5				
6	<u>Revenue</u>			
7	Elk Gove	\$199,187	\$199,187	
8	Water District	\$343,145		
9				
10	Total	\$542,332	\$199,187	
11				
12	<u>Pumping-Waterwater Treatment</u>			
13	Purchased Power	\$189,786	\$39,786	
14	Chemicals	\$18,000	\$4,662	
15	Miscellaneous Testing	\$17,000	\$4,403	
16	Materials and Supplies	\$15,000	\$5,000	
17	Contracted Services Sludge Disposal	\$30,000	\$7,770	
18	Contracted Services Sewer Cleaning	\$9,000	\$3,000	
19				
20	Total	\$278,786	\$64,621	
21				
22	<u>Customer Accounts & Service</u>			
23				
24	Management Contract	\$221,520	\$57,374	
25	Office Expense	\$12,000	\$3,108	
26	Legal Fees/Accounting	\$10,000	\$2,590	
27	Insurance	\$18,000	\$6,000	
28				
29	Total	\$261,520	\$69,072	
30				
31	<u>Taxes Other than Income</u>			
32	Property Taxes	\$8,288	\$4,318	
33	PSC Tax	\$1,627	\$598	
34	MCC Tax	\$597	\$219	
35	DEQ PWSP	\$563	\$563	
36				
37	Total	\$11,075	\$5,698	
38				
39	Depreciation	\$109,336	\$26,078	
40				
41	State Income Taxes	\$0	\$0	
42	Federal Income Tax	\$0	\$0	
43				
44		\$0	\$0	
45				
46	Total Expenses	\$660,717	\$165,468	
47				
48	Net Operating Income	-\$118,385	\$33,719	
49				
50				
51				

	A	B	C	D	E	F	G
1	Utility Solutions Total Company Income Statement Year Ended December 31, 2006						
2						Page 1 of 3	
3	<u>Description</u>						
4							
5	<u>Operating Revenues</u>						
6	Construction (CIAC)	\$1,289,398					
7	District Contract	\$303,483					
8	Late Fees	\$48					
9	Elk Grove Sewer	\$132,991					
10	Elk Grove Water	\$95,681					
11	Service Expansion	\$409,559					
12							
13	Total Revenues	\$2,231,160					
14							
15	<u>Operating Expenses</u>						
16							
17	<u>Unassigned Common Expenses</u>						
18	Amortization Expense	\$124					
19	Automobile Expense	\$48					
20	Bank Service Charges	\$182					
21	Computer/Billing Supplies	\$2,818					
22	Dues and Subscriptions	\$74					
23	Education	\$293					
24	Employee Reimbursement	\$300					
25	Equipment Rental	\$12,000					
26	Fuel	\$477					
27	Insurance Liability	\$9,280					
28	Insurance Property	\$19,734					
29	Interest Expense	\$206,745					
30	Licenses and Permits	\$1,423					
31	Management Fee	\$324,663					
32	Mileage Reimbursement	\$167					
33	Office Expense	\$803					
34	Office Supplies	\$343					
35	Postage and Delivery	\$1,220					
36	Accounting Fees	\$775					
37	Legal Fees	\$153,353					
38	Rent	\$7,700					
39	Equipment Repairs	\$1,170					
40							
41	Sub Total Unassigned Expenses	\$743,692					
42							

	A	B	C	D	E	F	G
43	<u>Direct Expenses Assigned</u>						Page 2 of 3
44							
45	<u>Service Expansion</u>						
46	Black Bull	\$50,250					
47	Buckland	\$400					
48	Cameron Bridge	\$263					
49	Circle F	-\$6,567					
50	Gallatin Heights	\$6,748					
51	Hughes Morton	\$44					
52	Permits and Fees	\$3,400					
53							
54	Total Service Expansion	\$54,538					
55							
56	<u>Sewer Service - District</u>						
57	Legal	\$5,885					
58	Maintenance	\$5,682					
59	Permits	\$2,400					
60	Property Tax	\$2,651					
61	Testing	\$188					
62	Utilities	\$9,994					
63							
64	Total Sewer Service - District	\$26,800					
65							
66	<u>Sewer Service - Elk Grove</u>						
67	Chemicals	\$2,435					
68	Fuel	\$3,678					
69	Licenses and Permits	\$1,270					
70	Maintenance	\$20,069					
71	Operator	\$2,990					
72	Permits	\$1,126					
73	Property Tax	\$3,306					
74	Rate Consulting	\$1,250					
75	Supplies	\$979					
76	Testing	\$2,258					
77	Utilities	\$7,980					
78							
79	Total Sewer Service - Elk Grove	\$47,341					

	A	B	C	D	E	F	G
80							Page 3 of 3
81	<u>Water Service - District</u>						
82	Property Taxes	\$4,622					
83	Telephone	\$1,880					
84	Chemicals	\$215					
85	Fees	\$175					
86	Generator Fuel	\$1,100					
87	Legal	\$24,412					
88	Maintenance	\$3,500					
89	Operations	\$5,066					
90	Permits	\$4,060					
91	Supplies	\$3,658					
92	Testing	\$4,356					
93	Utilities	\$12,671					
94							
95	Total Water Service - District	\$65,715					
96							
97	<u>Water Service - Elk Grove</u>						
98	Fuel	\$160					
99	Legal	\$44					
100	Maintenance - Supplies	\$695					
101	Operator	\$5,076					
102	Permits	\$450					
103	Property Tax	\$1,153					
104	Rate Consulting	\$1,250					
105	Repairs and Maintenance	\$872					
106	Testing	\$1,841					
107	Travel	\$238					
108	Utilities	\$8,482					
109							
110	Total Water Service - Elk Grove	\$20,261					
111							
112	Total O&M Expense	\$958,347					

	A	B	C	D	E	F
1	Elk Grove Allocated Income Statement Year Ended December 31, 2006					
2						
3	<u>Operating Revenues</u>		Per Annual Report		Compliance Filing	
4						
5	Elk Grove Sewer		\$132,991		\$132,991	
6	Late Fees		\$24		\$24	
7	Total Operating Revenues		\$133,015		\$133,015	
8						
9	<u>Operating Expenses</u>					
10						
11	<u>Direct Expenses Assigned</u>					
12						
13	Chemicals		\$2,435		\$2,435	
14	Fuel		\$3,678		\$3,678	
15	Licenses and Permits				\$1,270	
16	Maintenance		\$20,069		\$20,069	
17	Operator				\$2,990	
18	Permits				\$1,126	
19	Property Tax				\$3,306	
20	Rate Consulting				\$1,250	
21	Supplies		\$979		\$979	
22	Testing				\$2,258	
23	Utilities		\$7,980		\$7,980	
24						
25	Total Direct Expenses		\$35,141		\$47,341	
26						
27	<u>Allocated Common Expenses</u>					
28						
29	Management Fee		\$76,859		\$59,702	
30	Professional Fees		\$36,990		\$5,184	
31	Equipment Rental		\$2,880		\$2,880	
32	Insurance Expense		\$6,964		\$6,964	
33	Contractual Services		\$6,498			
34	Other Expenses		\$11,377		\$5,675	
35						
36	Total Allocated Expenses		\$141,568		\$80,405	
37						
38	Depreciation Expense		\$39,899		\$39,899	
39						
40	Total Operating Expenses		\$216,608		\$167,645	
41						
42	Net Income		-\$83,593		-\$34,630	

Exhibit PSC-003a

Exhibit PSC-003b

July 11, 2007

TO: Ron Woods
 FROM: Barbara Campbell

RE: PSC and response to you 5/9/07 memo

1) Management fee:

I am providing you with a copy of the Management Contract and a copy of MDEQ Circular DEQ 2 - Appendix E that was presented in the US Wastewater Facility Plan...it has a good description of management function and financial operation.

In 2006 US paid Double-Tree a total of \$324,663.49 (per another examination of the bank statements). This differs from Albee's total of \$333,215.18.

In the table below I've taken the # of \$324,663.49 and split it 1) for regulated vs non-regulated service based on our original PSC submittal and 2) showing how we split it out by actual employee time.

	Reg water	Reg sewer	non-reg water	non-reg sewer	total
1) per PSC submittal	\$22,730.87 (7%)	\$84,087.84 (25.9%)	\$46,426.88 (14.3%)	\$171,417.90 (52.8%)	\$324,662.49 (100%)
2) actual allocation	\$51,239.46 (15.8%)	\$76,859.33 (23.7%)	\$98,282.30 (30.3%)	\$98,282.30 (30.3%)	\$324,663.49 (100%)

If you look at the list of payments made to Double-Tree for 2006 you'll see that \$165,000 was for management fees (my time) and \$159,663.49 was for reimbursement of employee costs. During 2006 I spent only about 20% of my time on Elk Grove issues and 80% on the non-regulated areas. Employees, however, spent 60% of their time directed to Elk Grove because that's where the brunt of the users are now compared to the non-regulated areas.

Call me when you have a chance to review this and we can discuss some other items on the annual reports.

2006

DATE	CK#	MANAGEMENT	PAYROLL/WAGES
2-Jan	ET		\$5,000.00
9-Jan	3224	\$25,000.00	
15-Feb	3294	\$25,000.00	
5-May	ET		\$5,000.00
22-May	ET		\$5,000.00
4-May	3376	\$25,000.00	
7-Jun	ET		\$5,000.00
15-Aug	ET	\$20,000.00	
28-Aug	3559	\$25,000.00	
18-Sep	ET	\$20,000.00	
25-Sep	3588		\$16,703.33
25-Sep	3589		\$8,333.34
11-Oct	ET		\$8,000.00
13-Oct	3645		\$8,343.40
20-Oct	3648		\$12,474.51
20-Oct	3649		\$8,333.33
9-Nov	ET		\$5,000.00
15-Nov	3691	\$25,000.00	
15-Nov	3697		\$5,421.39
27-Nov	3697		\$13,667.08
24-Nov	3698		\$8,333.33
5-Dec	ET		\$10,000.00
11-Dec	ET		\$7,000.00
21-Dec	3751		\$19,720.44
21-Dec	3752		\$8,333.34
TOTAL		\$165,000.00	\$159,663.49
			\$324,663.49

UTILITY SOLUTIONS, LLC
A Public Utility Company - Privately Owned

EXECUTIVE SUMMARY
for
MDEQ Circular DEQ 2 - Appendix E
Facility Plan

date: August 2006

prepared by: Barbara Campbell

Owners:

Utility Solutions, LLC is a Montana Limited Liability Company. Utility Solutions, LLC was formed in 2003 specifically to own and operate public water and sewer systems in the Four Corners area of Gallatin County. The members are: 1) Barbara Campbell, and 2) Montana Ventures I, LLC, a Kentucky Limited Liability Company. Double-Tree, Inc. serves as Manager for Utility Solutions, LLC.

Utility Solution, LLC has a service area in excess of 15,000 acres. The Four Corners County Water and Sewer District lies within the US service area. Utility Solutions, LLC provides water and sewer service to properties within the District via contract. The District has executed an Option to Purchase with Utility Solutions, LLC for acquisition of the US system components that serve the District or acquisition of all the company's assets. Conditions of the agreement require the establishment of a defined user base which is anticipated not sooner than 2010.

E2 Managerial Capacity:

The Utility Solutions, LLC "Operating Agreement" provides for Double-Tree, Inc. to serve as Manager of the LLC by Management Contract. Double-Tree, Inc. is Montana Corporation owned by Barbara Campbell. Double-Tree, Inc. provides management services related to the coordination of activities necessary in the management of US business including day-to-day operations, construction management, and contractual services rendered to US clients. Double-Tree, Inc. also provides services related to financing, accounting, and management strategies for US.

Staffing to Utility Solution provided by contract with Double-Tree, Inc. includes:

- Executive Management - activities for overall business management, staff management, construction and long term financing, contract negotiation, financial management
- Bookkeeping/Accounting - accounts receivable, accounts payable, preparation of financial statements, accounts management, payroll/HR.
- Construction Management - coordination with project engineers, coordination with general and subcontractors, inspections

- Billing/ Receiving/Customer Service - meter reading, Black Mountain Software database management, billings, customer service, web site management
- Operations Management - water and sewer plant management, SCADA system management, systems optimization, supervising operators
- Licensed Operators - Wastewater Class II Operator (licensed) - daily plant operations, lift station operation and maintenance, infrastructure operations and maintenance, repairs and maintenance, testing and reporting
Water Operators (licensed) - water plants(s) daily operations, water meter supply, repair, infrastructure repairs and maintenance, testing and reporting
- Backup Operators - on call licensed operators for wastewater and water systems

Executive Management Barbara Campbell		
Construction Mgmt Larry Van Dyke	Operations Mgmt John Close	Accounting Albee Willett, CPA
	Billings/Customer Service Kris Vandersloot	
Wastewater Operators John Close Ron Edwards		
Water Operators Eric Campbell Rusty Roberts		

Outside Professional Services:

- | | | |
|-------------------------------------|----------------------|-----------------------------|
| ● Accounting/tax preparation | Pat Ellis, CPA | Galusha, Higgins, Galusha |
| ● Legal - contract, general | John Kauffman | Kasting, Kauffman & Mersen |
| ● Legal - water rights issues | Matt Williams | Williams & Jent, LLP |
| ● Engineering - design/construction | Marty Gagnon, PE | Morrison Maierle, Inc |
| ● Engineering - hydrogeology | Michael Nicklin, PhD | Nicklin Earth & Water, Inc. |
| ● Engineering - municipal water | Dick Stenzel, PE | Applegate Group, Inc. |

E3 Technical, Operation, Maintenance Capacity

The Utility Solutions, LLC O&M manual is found in Exhibit D of this document.

E4 Financial Capacity

Cost Allocation

● **Central System Cost Allocation:** Capital cost allocation is based on design volumes for wastewater flow using an Equivalent Dwelling Unit (EDU) methodology. One EDU is 250 gpd of treatment volume and corresponding disposal. The costs to acquire the Elk Grove plant and expand the plant as described herein show a current per EDU treatment capital cost of \$3,500/EDU. Costs for land acquisition and construction of disposal show a current per EDU disposal capital cost of \$1,500/EDU. The combined capital cost for central system capacity (treatment and disposal) is currently allocated at \$5,000 per EDU.

The EDU methodology anticipates a single family residence with a 3/4" water meter has a design flow of 250 gpd based on DEQ -2 Chapter 10, Section 11.243 of 100 gpd wastewater flow per person with an average of 2.5 persons per residence (Census data). Per the Montana Uniform Application Guidelines for Public Facility Projects meter sizes and EDU multiples are as follows:

line size	# EDUS
3/4 inch	1.00
1 inch	1.79
1 ½ inch	4.00
2 inch	7.15
4 inch	28.57

Utility Solutions, LLC uses some flexibility with regard to the EDU methodology. Some commercial properties that may have larger meters but not corresponding usage are assigned a number of EDUs for cost allocation. Likewise multiplex residential properties are allocated at \$5,000 per living unit regardless of meter size. Within the US service area are several properties with commercial operations on the ground level and an upstairs living unit. Those properties are assigned a number of EDUs for costs allocation based on projected usage.

● **Collection Costs Allocation:** Collection piping costs vary for properties based on proximity to the treatment plant. Actual costs of piping are allocated specifically to properties which benefit from those improvements.

● O & M costs are allocated on a prorata basis across active system users.

Capital Cost Recovery

Utility Solutions utilizes several methods for recovering capital costs. They are: 1) implementation of rates and charges, 2) contracts with developers and property owners for capacity development costs which are termed as "Payments In Aid of Construction" (PIAC fees), and 3) reimbursement agreements with developers and property owners. Utility Solutions recovers O & M costs through collection of monthly rates and charges imposed on active users.

1) Rates and Charges

Utility Solutions, LLC is a public utility privately owned and is therefore subject to jurisdictional approval for establishment and implementation of rate structures.

● Four Corners County Water and Sewer District

A portion of the Utility Solutions, LLC service area is a duly formed Water and Sewer District. Within the boundaries of the District, rates and charges are authorized by action of the Board of Directors of the Four Corners County Water and Sewer District. Utility Solutions, LLC has contracted with the District to provide water and sewer service to the properties therein. The District has adopted, by Ordinance, a system of rates and charges that includes monthly user fees (based on usage) and tax levies (based on square footage of lots) to generate revenues sufficient to satisfy the contract with Utility Solutions. The contract amount is based on allocation of capital expenditures, costs associated with operations, maintenance, and replacement.

The District has annexed several properties adjacent to the District. To accommodate the continuing expansion of the District for adjoining properties US has reserved central system capacity of 10,000 gpd wastewater treatment and disposal denoted as Tier 1 annexations.

In addition to Tier 1 annexations to the Four Corners County Water and Sewer District the District accepts applications for annexation from major subdivisions with lands that are not contiguous with the District. Rates and charges established per service area reflect proration of central system costs and specific delivery costs.

● Montana Public Service Commission

The majority of the Utility Solutions, LLC service area is outside the jurisdictional boundary of the Four Corners County Water and Sewer District. For user areas outside the District, Utility Solutions, LLC must make application to the Montana Public Service Commission (PSC) for approval of rate tariffs. Utility Solutions, LLC received authorization from PSC for rate tariffs for the Elk Grove Subdivision in January 2006. There are currently 220 active metered accounts. The PSC approved tariff authorizes Utility Solutions, LLC to bill Elk Grove sewer users a flat rate of \$53.79 per month. (note: The Utility Solutions, LLC submittal to PSC and subsequent approval are available to the MDEQ upon request.)

Status of Rate Jurisdiction - refer to Table 5, Page 12 Facility Plan text

	9/06 Status of service	# EDU @ 250gpd build out	rate jurisdiction
Elk Grove Subdivision	on-line	400	PSC - rate tariff
Northstar Subdivision	on-line	571	Four Corners WSD
Galactic Park Subdivision	on-line	294	Four Corners WSD
District Tier 1 annexations	on-line and/or available	40	Four Corners WSD
Bozeman Hot Springs Sub.	will serve issued	100	Four Corners WSD
Brookshire /Smith	will serve issued	60	Four Corners WSD
Black Bull Subdivision	will serve issued	439	requested annexation to WSD
Middle Creek Parklands Sub	will serve issued	250	requested annexation to WSD
Gallatin Heights Sub	will serve issued	370	requested annexation to WSD
Buckland Siding (was Cok)	will serve pending	180	requested annexation to WSD
		2,954	

2) Payments in Aid of Construction (PIAC fees)

Utility Solutions, LLC contracts with developers and property owners to provide central sewer service to new subdivisions. Contracts provide for the payment of funds to Utility Solutions based on projected flows of wastewater. Revenues derived from PIAC contracts are used for reimbursement to US for costs incurred for the construction of treatment and disposal, placed in expansion reserves, or directly for construction cost for the expansion of treatment and disposal facilities.

3) Reimbursement Agreements

Utility Solutions provides developers and property owners to the ability to recover costs related to construction of main extensions through reimbursement from subsequent users of that infrastructure. Likewise, Utility Solutions, LLC may require prorata reimbursement of costs for main extensions that it has financed through payments from new properties that connect to, and benefit from , specific infrastructure.

Financing of Capital Costs

Utility Solutions, LLC has privately financed all capital improvements to date. No public funds have been expended for construction of improvements or any other expenses. Utility Solutions, LLC currently does not have debt from banks or commercial lenders. All funds for Utility Solutions capital expenditures have been generated from owner equity and owner subordinated debt. As of 9/12/06 a total of \$10,852,918.02 has been expended for sewer system capital improvements. Of that total a sum of \$3,498,989.80 is owner equity and \$7,353,928.22 is owner subordinated debt. Debt repayment sources are as follows:

PSC rate tariff (Elk Grove)	\$ 882,858.39
District contract	\$3,273,058.98
Developer Contracts (Northstar, Galactic Park)	<u>\$3,198,010.85</u>
	\$7,353,928.22

Expansion (Capital Requirements -Repayment Sources)

1. Treatment and Disposal:

Within the next 5 years capital expenditures to expand the treatment capacity to 700,000 gpd is estimated by Morrison-Maierle, Inc at \$8,083,000. The cost to complete construction of related disposal is \$1,250,000. (These estimates do not include soft costs) The estimated total cost to expand the existing treatment and disposal facilities to .7 MGD is \$9,333,000.

Wastewater Treatment/Disposal Capital Expenditure Forecast					
Expansion	2007	2008	2009	2010	2011
.15 MGD	\$1,043,000				
.3 MGD design	\$100,000				
.3 MGD construction		\$812,000	\$700,000		
.7 MGD design			\$340,000		
.7 MGD construction				\$2,588,000	\$2,500,000
disposal to .7 MGD		\$416,700			\$833,300
TOTALS	\$1,143,000	\$1,228,700	\$1,040,000	\$2,588,000	\$3,333,300

note: plant and disposal expansions will be triggered by volume of flow and may not be consistent with the years shown in the table

Plant and disposal expansion costs will be paid with funds (PIAC fees) generated through contracts with developments. Utility Solutions currently has contracts with three major developments to provide wastewater service. In addition US is negotiating with two other large developments for service. The contracts provide for payment, by the developer to Utility

Solutions, a sum of money equal to \$5,000 times the number of EDUs within the development. Upon execution of the contract US receives a non-refundable deposit to reserve capacity in the system. With receipt of the deposit Utility Solutions provides the MDEQ and Gallatin County a "will serve" letter documenting the US commitment to serve the development.

2: Main Extensions:

The costs to extend sewer mains from existing infrastructure to new service areas is borne by the developers contracting for service. Utility Solutions, LLC will cost share with developers if US elects to up-size piping that may serve additional properties. Utility Solutions, LLC also allows developers prorata reimbursement for extension costs if other properties connect to piping installed by that developer.

O & M cost recovery

The method of recovery of O & M costs for Utility Solutions is through the implementation of monthly rates and charges. As noted above the ability to legally bill users is subject to approval of the MT PSC or the Four Corners County Water and Sewer District. The District likewise has the ability to include funds for O&M costs in its levy of taxes against properties within the District jurisdictional boundary.

The majority of users on the Utility Solutions, LLC sewer system are also served water by Utility Solutions. All water system users are metered. Meters are read monthly. Accounts are managed by an administrative program by Black Mountain Software.

Accounting categories for operating expenses are shown on the attached Table E.1. Utility Solutions has three full years of operational history. Revenue from sale of service does not currently exceed operational costs. Based on a projected increase in users the operation revenue is expected to exceed operational costs in 2010.

	2007	2008	2009	2010
# EDUs	320	650	1220	1870
income from rates/charges	\$191,000	\$448,400	\$626,000	\$938,000
operating expense	\$482,490	\$601,280	\$686,730	\$825,675
	<\$291,490>	<\$152,880>	<\$60,730>	\$112,325

Overall System Budget Projections

Table E.1 attached reflects the overall Utility Solutions sewer system budget from current year, 2006, through 2010.

TABLE E.1					
2006 Facility Plan					
Utility Solutions, LLC Sewer System Budget					
	2006	2007	2008	2009	2010
Cash beginning of the year	1,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Revenue					
Elk Grove - Sewer	120,310.00	170,000.00	170,000.00	170,000.00	170,000.00
District Contract	-	200,000.00	302,700.00	302,700.00	302,700.00
Other Rates & Charges	-	21,000.00	278,400.00	456,000.00	768,000.00
Hook-up fee/other	-	10,000.00	10,000.00	10,000.00	10,000.00
PIAC	1,655,199.00	3,393,459.00	3,521,159.00	1,952,559.00	1,116,659.00
Interest Income	2,989.00	5,000.00	5,000.00	5,000.00	5,000.00
Extension payments	-	4,139,428.00	2,200,000.00	-	-
Total Revenue	1,779,498.00	7,973,887.00	6,522,259.00	2,931,259.00	2,407,359.00
Expenses					
purchased power	17,485.00	30,720.00	66,300.00	131,760.00	213,180.00
fuel (generators)	367.00	730.00	1,150.00	1,350.00	1,500.00
chemicals	2,435.00	3,840.00	7,800.00	14,640.00	22,440.00
materials/supplies	9,807.00	14,710.00	18,000.00	19,200.00	19,800.00
management contract	196,037.00	302,000.00	365,000.00	395,000.00	420,000.00
contracted services	4,240.00	6,500.00	6,500.00	8,500.00	8,500.00
equipment rental	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
transportation expense	346.00	2,740.00	5,480.00	5,480.00	5,480.00
testing	2,446.00	2,500.00	3,500.00	3,500.00	3,500.00
insurance	14,508.00	14,500.00	15,000.00	15,000.00	15,000.00
permits/licenses	5,272.00	6,000.00	6,000.00	6,000.00	6,000.00
sludge removal	17,054.00	27,200.00	55,250.00	45,000.00	68,975.00
legal	7,414.00	7,500.00	7,500.00	7,500.00	7,500.00
accounting	388.00	1,750.00	2,000.00	2,000.00	2,000.00
office expense	6,796.00	7,500.00	7,500.00	7,500.00	7,500.00
property tax	8,268.00	8,300.00	8,300.00	8,300.00	8,300.00
other legal	75,147.00	40,000.00	20,000.00	10,000.00	10,000.00
Total Operating Costs	374,010.00	482,490.00	601,280.00	686,730.00	825,675.00
Non-Operating Costs					
loan principal payments	123,387.00	691,659.00	794,359.00	794,359.00	794,359.00
interest payments	205,698.00	530,000.00	90,000.00	90,000.00	90,000.00
plant/disposal expansion	1,009,931.00	1,143,000.00	1,228,700.00	1,040,000.00	2,588,000.00
Main extension	25,568.00	4,152,427.00	2,000,000.00	-	-
Total Non-Operating Costs	1,364,584.00	6,517,086.00	4,113,059.00	1,924,359.00	3,472,359.00
Total Costs	1,738,594.00	6,999,576.00	4,714,339.00	2,611,089.00	4,298,034.00
Cash after costs	40,904.00	974,311.00	1,807,920.00	320,170.00	(1,890,675.00)
To (From) Expansion reserve	5,904.00	939,311.00	1,772,920.00	285,170.00	(1,925,675.00)
Cash after Expansion Reserve	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
Accumulated Expansion Reserve	5,904.00	945,215.00	2,718,135.00	3,038,305.00	1,112,630.00

Exhibit PSC-004b

2006 NORTHWESTERN ENERGY												
PSC AREA			OFFICE			SHOP			DISTRICT WATER			
EG SEWER	EG WATER		OFFICE		SHOP	WATER NS WELL	WATER NS BS E	WATER NS BS G	WATER NS WELL	WATER NS BS E	WATER NS BS G	
JAN	1384	456	384	16	16	0	0	0	0	381	16	
FEB	1206	392	307	16	16	0	0	0	0	1035	93	
MAR	913	486	318	16	16	0	0	0	0	609	140	
APR	616	308	259	16	16	0	0	0	0	506	108	
MAY	564	310	154	16	16	0	0	0	8	428	67	
JUN	629	724	134	16	16	243	8	8	8	564	36	
JUL	631	860	141	16	16	353	14	8	14	557	16	
AUG	539	1322	163	16	16	358	13	10	10	706	16	
SEP	458	1262	167	16	16	278	14	16	16	504	16	
OCT	607	1153	148	16	16	224	14	14	14	367	16	
NOV	617	567	165	17	17	227	14	182	244	41	527	
DEC	691	576	234	95	95	230	15	542	276	102	675	
TOTAL	8855	8416	2574	272	272	1921	105	788	6177	667	6083	
PSC Rpt	7980	8482	Office Act.	2846	2846	District Water Act.						16741
DISTRICT SEWER												
SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	
MM LSE	COMM LSG	C1 LSE	C1 LSG	NS LSE	NS LSG	GAL LSE	GAL LSG	RIBASIN				
72	0	106	0	0	0	105	0	0				
63	0	183	0	0	0	192	0	0				
79	0	101	0	0	0	118	0	0				
69	0	58	41	100	15	58	24	0				
79	14	143	59	83	25	158	38	15				
64	21	113	62	56	25	66	40	67				
98	26	172	67	72	30	159	46	16				
54	25	86	61	65	26	67	40	99				
58	25	73	63	61	29	43	40	16				
60	23	293	61	56	26	26	39	18				
164	27	71	61	69	37	42	39	16				
106	27	94	61	81	21	43	38	17				
966	188	1493	536	643	234	1077	344	264				
District Sewer Act.						6745	9994					
PSC Rpt												
Total Actual (Incl. Office)										41603		
Total PSC Report										39127		

DISTRICT SEWER												
SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER	SEWER
OMM LSE	COMM LSG	C1 LSE	C1 LSG	NS LSE	NS LSG	GAL LSE	GAL LSG	GAL LSE	GAL LSG	RIBASIN		
72	0	106	0	0	0	105	0	105	0	0		
63	0	183	0	0	0	192	0	192	0	0		
79	0	101	0	0	0	118	0	118	0	0		
69	0	58	41	100	15	58	24	58	24	0		
79	14	143	59	83	25	158	38	158	38	15		
64	21	113	62	56	25	66	40	66	40	67		
98	26	172	67	72	30	159	46	159	46	16		
54	25	86	61	65	26	67	40	67	40	99		
58	25	73	63	61	29	43	40	43	40	16		
60	23	293	61	56	26	26	39	26	39	18		
164	27	71	61	69	37	42	39	42	39	16		
106	27	94	61	81	21	43	38	43	38	17		
966	188	1493	536	643	234	1077	344	1077	344	264		
										District Sewer Act.		5745
										PSC Rpt		9994

DISTRICT SEWER

TOTAL

5745

- 1384 January WWTP Energy charges
- 890 Jan Zoot Booster Station Energy Charges included in PSC
- 1039 Feb Zoot Booster Station Energy Charges included in PSC
- 951 March Zoot Booster Station Energy Charges included in PSC
- (15) Misc Energy Charges not included in PSC

PSC Rpt

9994



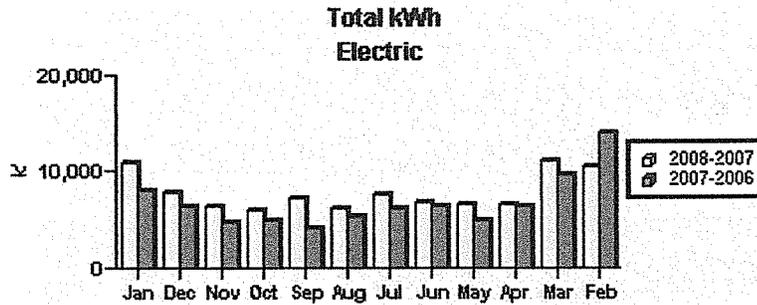
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Account #: 1189705-5
Account Name: UTILITY SOLUTIONS
Service Address: 195 ELK GROVE LN
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	10,960	7,920	6,360	6,040	7,160	6,120	7,560	6,800	6,520	6,680	11,080	10,560
Demand (KWH) Usage	43	39	39	19	36	35	36	42	36	38	41	50
\$ Billed	1,060	832	738	546	758	694	815	804	722	754	1,026	1,050
No. Days	30	33	29	28	33	30	32	29	29	28	29	28
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	7,960	6,400	4,800	5,000	4,080	5,320	6,160	6,480	5,040	6,320	9,720	14,120
Demand (KWH) Usage	44	38	40	37	28	31	37	35	36	33	43	44
\$ Billed	838	691	617	607	458	539	631	629	564	616	913	1,206
No. Days	34	30	28	32	30	33	30	33	29	29	34	28



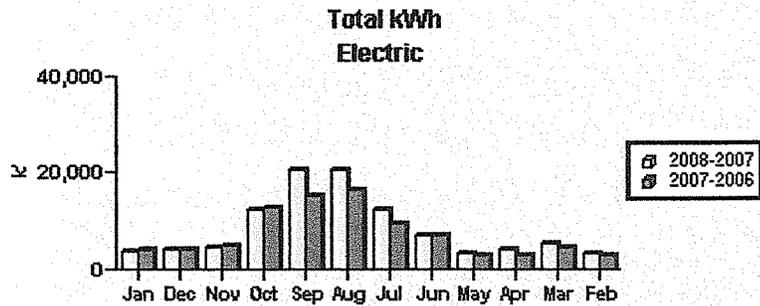
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- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
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Account #: 1189702-2
Account Name: UTILITY SOLUTIONS
Service Address: BLACKWOOD RD 1/2M OFF HWY 191
 WATER SYSTEM
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2008											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	3,531	4,046	4,654	12,215	20,733	20,761	12,398	6,955	3,176	4,140	5,518	3,384
Demand (KWH) Usage	23	16	26	49	58	57	48	39	19	20	31	21
\$ Billed	433	404	529	1,193	1,795	1,818	1,245	797	377	449	614	392
No. Days	60	33	29	28	33	30	32	29	29	28	29	28
Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	4,138	3,971	4,924	12,919	15,072	16,635	9,497	7,051	2,985	2,688	4,655	2,991
Demand (KWH) Usage	16	40	32	46	53	54	43	42	17	18	25	24
\$ Billed	391	576	567	1,153	1,262	1,322	860	724	310	308	486	392
No. Days	34	60	28	32	60	33	60	33	29	29	34	28

SAH Server

not PSC area



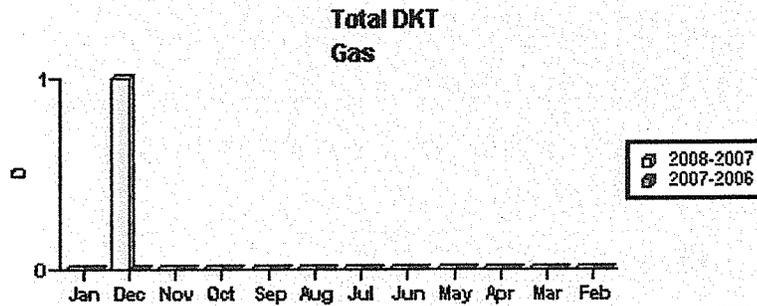
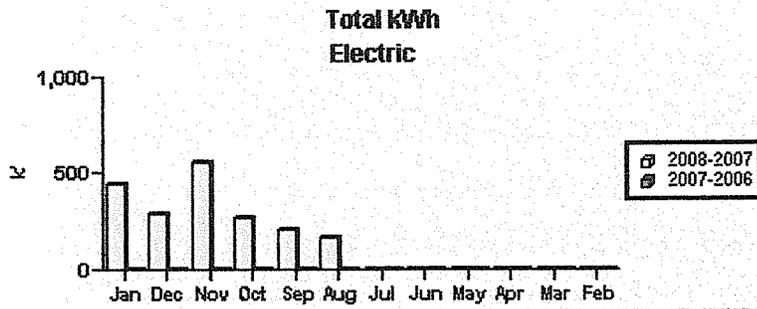
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- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1568034-1
Account Name: UTILITY SOLUTIONS
Service Address: 1096 JACKRABBIT LN
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	447	288	557	272	205	167	0	0	0	0	0	0
Demand (KWH) Usage	4	2	2	2	3	8	0	0	0	0	0	0
\$ Billed	70	43	60	42	47	128	0	0	0	0	0	0
No. Days	29	33	28	30	29	46	0	0	0	0	0	0
Gas												
Usage (DKT)	0	1	0	0	0	0	0	0	0	0	0	0
\$ Billed	36	156	0	0	0	0	0	0	0	0	0	0
No. Days	29	126	0	0	0	0	0	0	0	0	0	0
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	0	0	0	0	0	0	0	0	0	0	0	0
Demand (KWH) Usage	0	0	0	0	0	0	0	0	0	0	0	0

\$ Billed	0	0	0	0	0	0	0	0	0	0	0	0	0
No. Days	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas													
Usage (DKT)	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	0	0	0	0	0	0	0	0	0	0	0	0	0
No. Days	0	0	0	0	0	0	0	0	0	0	0	0	0

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WSD Series

Not PSC area



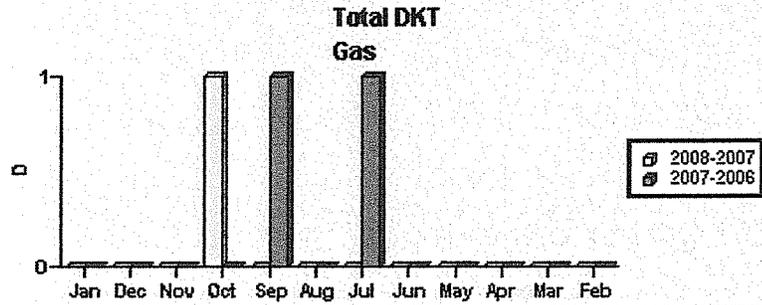
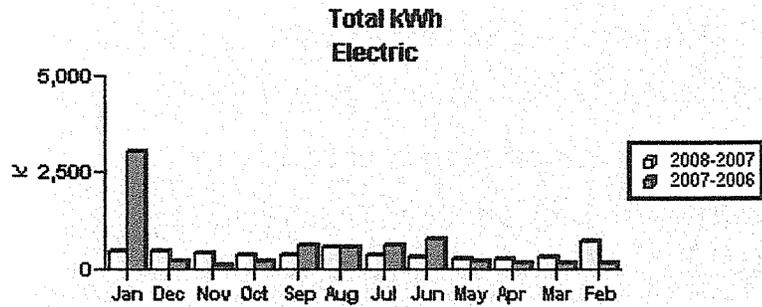
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- Bill History
- High Bill Inquiry
- Service Request
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Account #: 1390115-2
Account Name: UTILITY SOLUTIONS
Service Address: INTERSECTION OF CHERRY & MILWAKEE AVE ON RR EASEME
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	443	471	414	385	342	578	360	309	261	257	320	716
Demand (KWH) Usage	23	9	17	7	11	19	10	10	9	8	7	6
\$ Billed	231	114	179	92	123	206	117	113	101	93	87	101
No. Days	29	33	28	30	29	33	29	29	32	28	29	29
Gas												
Usage (DKT)	0	0	0	1	0	0	0	0	0	0	0	0
\$ Billed	64	62	62	74	63	63	61	59	62	60	60	63
No. Days	29	33	28	30	29	33	29	29	32	28	29	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												

Usage (KWH)	3,022	205	85	204	593	542	608	766	208	156	169	137
Demand (KWH)	6	9	7	33	4	6	16	8	15	5	10	20
Usage												
\$ Billed	235	94	71	293	73	86	172	113	143	58	101	183
No. Days	32	31	28	32	31	33	30	33	28	30	33	27
Gas												
Usage (DKT)	0	0	0	0	1	0	1	0	0	0	0	0
\$ Billed	62	61	61	61	63	61	67	62	59	41	0	0
No. Days	32	31	28	32	31	33	30	33	28	21	0	0

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Not PSC area

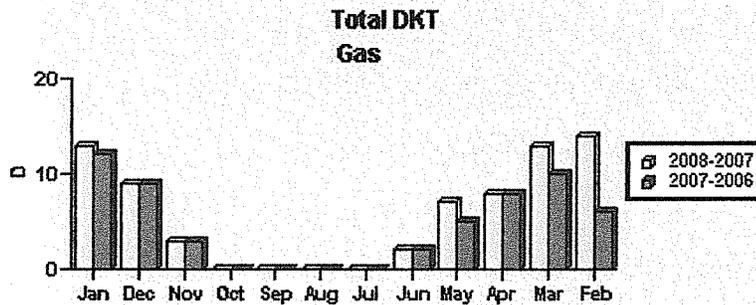
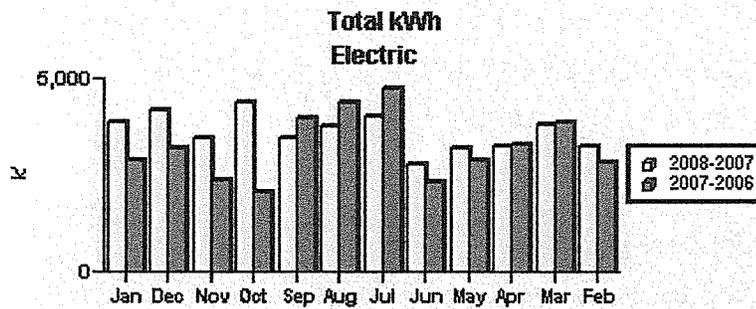
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- Usage History
- Bill History
- High Bill Inquiry
- Service Request
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Account #: 1387622-2
Account Name: VALKYRIE LLC U.S.
Service Address: 250 QUAIL RUN RD #BOOSTER
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	3,880	4,200	3,440	4,360	3,440	3,760	4,000	2,800	3,200	3,240	3,840	3,240
Demand (KWH) Usage	18	12	24	38	82	46	55	50	34	18	24	10
\$ Billed	404	371	428	602	916	636	741	614	497	366	446	284
No. Days	28	34	28	30	29	33	29	29	28	29	32	29
Gas												
Usage (DKT)	13	9	3	0	0	0	0	2	7	8	13	14
\$ Billed	153	112	46	21	17	18	20	38	84	98	139	149
No. Days	28	34	28	30	29	33	29	29	28	29	32	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	2,880	3,200	2,360	2,040	3,960	4,400	4,720	2,320	2,880	3,320	3,880	2,840

Demand (KWH) Usage	14	10	12	29	34	57	37	53	33	39	46	103
\$ Billed	293	276	244	367	504	706	557	564	428	506	609	1,035
No. Days	30	33	29	28	34	30	33	29	33	30	33	27
Gas												
Usage (DKT)	12	9	3	0	0	0	0	2	5	8	10	6
\$ Billed	130	102	41	16	16	16	16	36	67	108	140	93
No. Days	30	33	29	28	34	30	33	29	33	30	33	27

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Not PSC area

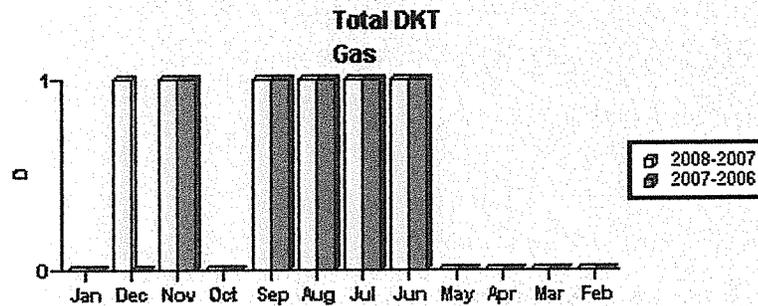
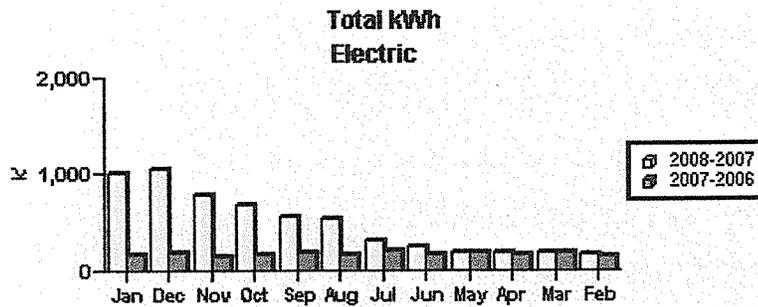
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- View Account Info
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- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
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Account #: 1388456-4
Account Name: UTILITY SOLUTIONS
Service Address: MILKY WAY DR EAST SIDE OF LOT 39
 SEWER LIFT STATIO
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	1,001	1,042	776	677	561	537	312	245	191	177	182	165
Demand (KWH) Usage	17	9	14	6	10	11	15	7	7	6	5	4
\$ Billed	215	150	176	102	128	136	156	84	80	71	62	51
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Gas												
Usage (DKT)	0	1	1	0	1	1	1	1	0	0	0	0
\$ Billed	40	40	40	40	43	41	40	40	39	39	37	36
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												

Usage (KWH)	167	179	152	160	183	175	200	165	191	161	180	150
Demand (KWH)	4	3	3	1	3	6	17	6	17	5	12	21
Usage												
\$ Billed	51	43	42	26	43	67	159	66	158	58	118	192
No. Days	30	33	28	29	34	30	33	29	33	30	33	27
Gas												
Usage (DKT)	0	0	1	0	1	1	1	1	0	0	0	0
\$ Billed	36	38	39	39	40	40	46	40	38	24	0	0
No. Days	30	33	28	29	34	30	33	29	33	21	0	0

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SA3 center

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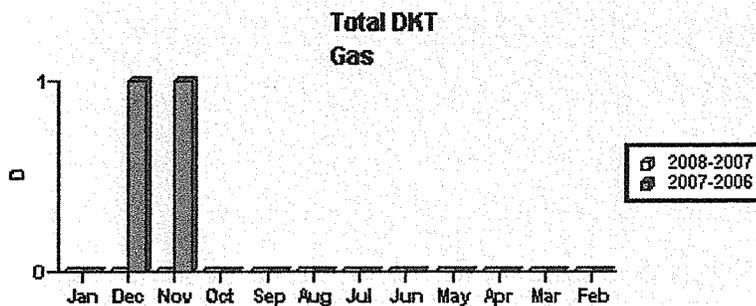
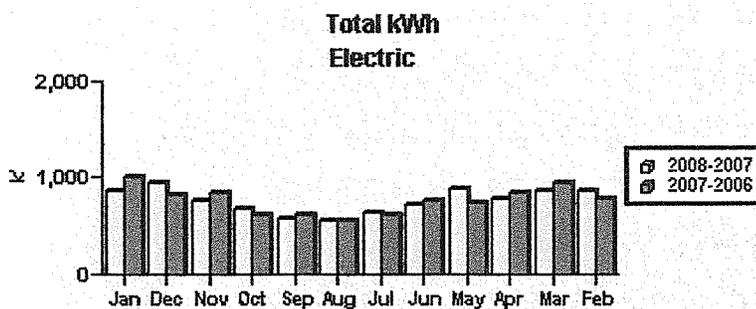
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- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1416203-6
Account Name: VALKYRIE LLC
Service Address: NORRIS RD E OF JOLIN LN
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	870	948	761	690	583	567	640	720	896	783	857	870
Demand (KWH) Usage	2	2	2	2	2	2	3	2	3	2	2	2
\$ Billed	80	84	73	68	62	61	76	72	90	75	77	76
No. Days	29	33	28	30	29	33	29	29	32	28	29	29
Gas												
Usage (DKT)	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	26	25	25	26	26	27	26	24	25	25	25	26
No. Days	29	33	28	30	29	33	29	29	32	28	29	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	1,015	833	841	610	622	559	612	768	735	837	958	774

Demand (KWH) Usage	2	6	13	2	2	2	7	2	4	2	2	1
\$ Billed	84	106	164	60	58	54	98	64	79	69	79	63
No. Days	32	31	28	32	31	33	30	33	28	30	33	27
Gas												
Usage (DKT)	0	1	1	0	0	0	0	0	0	0	0	0
\$ Billed	22	27	27	23	25	25	26	21	14	0	0	0
No. Days	94	31	28	32	31	33	30	33	20	0	0	0

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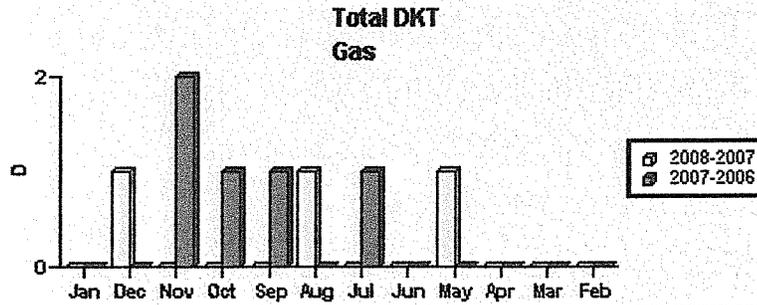
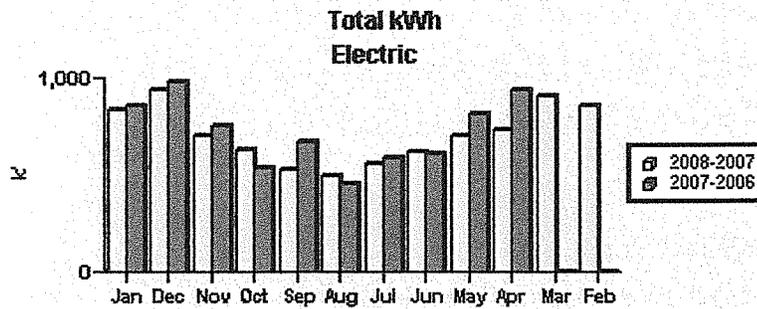
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 Energy Account Access
 My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1435536-6
Account Name: UTILITY SOLUTIONS
Service Address: CORNER OF DURSTON AND ZOOT
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	836	938	703	631	525	498	559	617	706	733	904	852
Demand (KWH) Usage	3	4	6	4	4	4	7	2	2	2	2	2
\$ Billed	86	101	103	82	75	74	105	66	70	72	81	75
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Gas												
Usage (DKT)	0	1	0	0	0	1	0	0	1	0	0	0
\$ Billed	25	27	22	22	26	28	26	26	27	23	22	22
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	859	979	756	540	666	458	590	606	813	941	0	0

Demand (KWH) Usage	2	2	2	2	2	4	4	2	4	5	0	0
\$ Billed	75	81	69	56	61	65	72	56	83	100	0	0
No. Days	30	33	28	29	34	30	33	29	33	34	0	0
Gas												
Usage (DKT)	0	0	2	1	1	0	1	0	0	0	0	0
\$ Billed	21	21	37	26	29	26	30	25	25	15	0	0
No. Days	30	33	28	29	34	30	33	29	33	21	0	0

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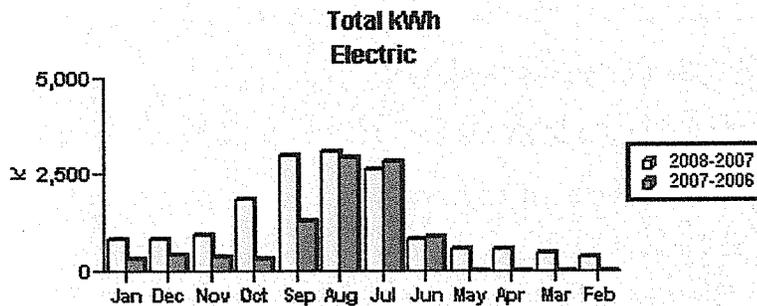
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Energy Account Access
My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1435534-1
Account Name: UTILITY SOLUTIONS
Service Address: CORNER OF QUAIL RN AND JACKRABBIT LN
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2008		2007									
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	841	841	943	1,874	3,010	3,077	2,625	818	544	591	445	356
Demand (KWH) Usage	24	24	24	24	24	24	24	24	24	24	25	25
\$ Billed	265	264	271	329	398	406	386	265	246	250	248	238
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2007		2006									
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	289	410	356	299	1,309	2,937	2,838	874	0	0	0	0
Demand (KWH) Usage	24	24	24	24	24	24	24	23	0	0	0	0
\$ Billed	223	230	227	224	278	358	353	243	8	0	0	0
No. Days	30	33	29	28	34	30	33	29	33	0	0	0

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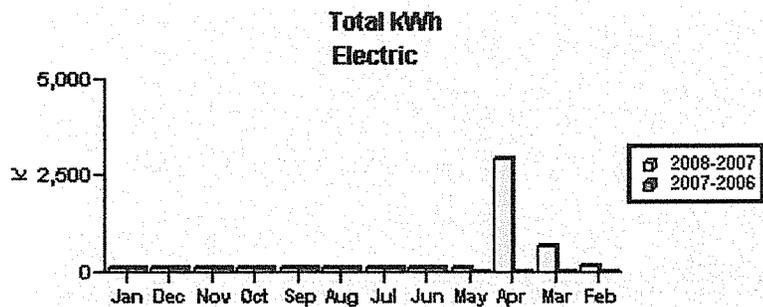
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NorthWestern Home
 Energy Account Access
 My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1435532-5
Account Name: UTILITY SOLUTIONS
Service Address: N OF TURNAROUND ON QUAIL RUN RD
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2008						2007					
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	85	103	86	92	90	101	91	87	89	2,925	663	153
Demand (KWH) Usage	0	0	1	0	0	0	0	0	0	45	2	2
\$ Billed	14	15	22	14	14	15	14	14	14	576	66	34
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2007						2006					
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	96	112	97	93	114	100	109	87	0	0	0	0
Demand (KWH) Usage	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	14	15	14	14	14	13	14	13	8	0	0	0
No. Days	30	33	29	28	34	30	33	29	33	0	0	0



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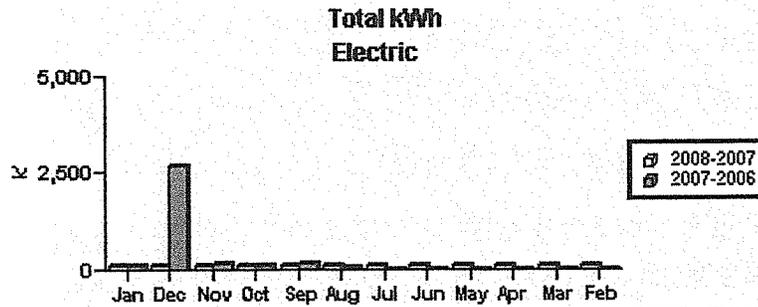
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NorthWestern Home
 Energy Account Access
 My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1435527-5
Account Name: UTILITY SOLUTIONS
Service Address: QUAIL RUN AND COVEY CT
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	97	117	97	102	99	111	99	95	99	99	108	101
Demand (KWH) Usage	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	15	16	15	15	15	15	15	15	15	15	15	14
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	102	2,664	143	92	140	28	0	0	0	0	0	0
Demand (KWH) Usage	0	46	20	0	0	0	0	0	0	0	0	0
\$ Billed	14	542	182	14	16	10	8	8	8	0	0	0
No. Days	30	33	29	28	34	30	33	29	32	0	0	0



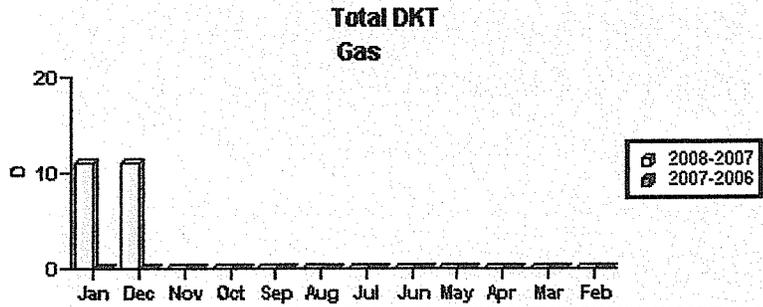
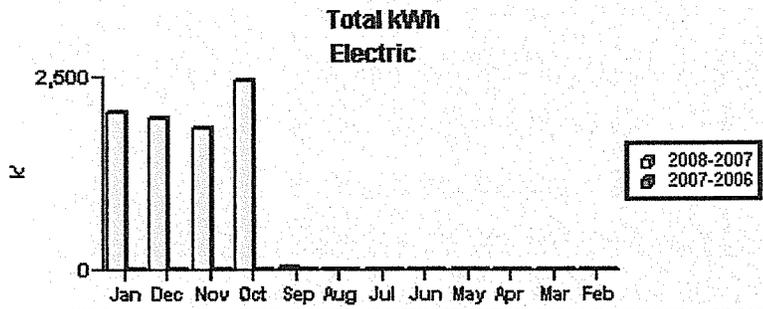
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- NorthWestern Home
- Energy Account Access
- My Energy Account
 - Logout
 - View Account Info
 - Change Account Info
 - Usage History
 - Bill History
 - High Bill Inquiry
 - Service Request
 - Change User Profile
 - Manage Account List
 - Payment Options
 - Contact Us

Account #: 1568035-8
Account Name: UTILITY SOLUTIONS
Service Address: 5764 MONFORTON SCHOO RD
 BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	2,040	1,960	1,840	2,455	19	6	0	0	0	0	0	0
Demand (KWH) Usage	18	22	22	25	30	2	0	0	0	0	0	0
\$ Billed	289	317	310	373	264	26	0	0	0	0	0	0
No. Days	29	30	32	213	30	33	0	0	0	0	0	0
Gas												
Usage (DKT)	11	11	0	0	0	0	0	0	0	0	0	0
\$ Billed	130	151	0	0	0	0	0	0	0	0	0	0
No. Days	29	61	0	0	0	0	0	0	0	0	0	0
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	0	0	0	0	0	0	0	0	0	0	0	0

Demand (KWH) Usage	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	0	0	0	0	0	0	0	0	0	0	0	0	0
No. Days	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas													
Usage (DKT)	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ Billed	0	0	0	0	0	0	0	0	0	0	0	0	0
No. Days	0	0	0	0	0	0	0	0	0	0	0	0	0

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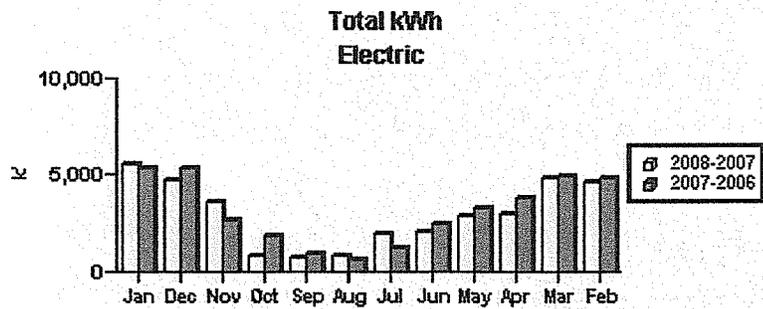
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 Energy Account Access
 My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1395289-0
Account Name: UTILITY SOLUTIONS
Service Address: N OF INTERSECTION OF ZOOT ENTERPRISE LN & PEGASUS BOZEMAN MT59718



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2007											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	5,600	4,760	3,560	840	680	840	1,960	2,080	2,880	3,000	4,840	4,600
Demand (KWH) Usage	70	42	42	38	72	39	44	38	19	28	8	8
\$ Billed	953	660	588	383	661	392	512	466	350	436	371	348
No. Days	28	34	28	30	29	33	29	28	29	29	32	29
Year	2006											
Month	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
Electric												
Usage (KWH)	5,360	5,400	2,680	1,840	880	600	1,200	2,480	3,280	3,840	4,920	4,880
Demand (KWH) Usage	34	43	44	10	7	3	59	27	29	10	80	89
\$ Billed	603	675	527	198	114	64	557	358	415	295	951	1,039
No. Days	30	33	28	29	34	30	33	29	33	30	33	27



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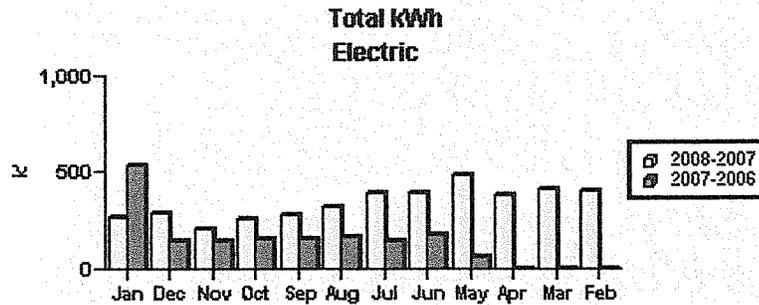
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NorthWestern Home
 Energy Account Access
 My Energy Account

- Logout
- View Account Info
- Change Account Info
- Usage History
- Bill History
- High Bill Inquiry
- Service Request
- Change User Profile
- Manage Account List
- Payment Options
- Contact Us

Account #: 1471071-9
Account Name: UTILITY SOLUTIONS
Service Address: CORNER OF MILWAUKEE & MAGENTA
 BOZEMAN MT59715



The tables below show your energy usage for the past 24 months. This information may be useful as you look for opportunities to save energy or when you compare offers of energy suppliers. These figures do not include usage for area lighting or other unmetered services.

Year	2008												2007											
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Electric																								
Usage (KWH)	272	287	210	258	280	315	394	395	482	378	411	406	537	147	140	159	153	165	144	171	64	0	0	0
Demand (KWH) Usage	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	10	0	6	2	0	0	0
\$ Billed	34	35	30	33	34	37	43	43	47	41	42	41	48	17	16	18	16	99	16	67	15	0	0	0
No. Days	29	33	28	30	29	33	29	29	32	28	29	29	32	31	28	32	31	33	30	33	14	0	0	0
Year	2007												2006											
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Electric																								
Usage (KWH)	537	147	140	159	153	165	144	171	64	0	0	0	537	147	140	159	153	165	144	171	64	0	0	0
Demand (KWH) Usage	1	0	0	0	0	10	0	6	2	0	0	0	1	0	0	0	0	10	0	6	2	0	0	0
\$ Billed	48	17	16	18	16	99	16	67	15	0	0	0	48	17	16	18	16	99	16	67	15	0	0	0
No. Days	32	31	28	32	31	33	30	33	14	0	0	0	32	31	28	32	31	33	30	33	14	0	0	0

Exhibit PSC-005a

Utility Solutions, LLC
Profit & Loss
January through December 2006

	<u>Jan 06</u>	<u>Feb 06</u>	<u>Mar 06</u>	<u>Apr 06</u>	<u>May 06</u>
Ordinary Income/Expense					
Income					
District Contract	0.00	0.00	0.00	0.00	0.00
Elk Grove	0.00	15,295.73	16,145.38	17,086.63	18,370.05
Meters	2,500.00	100.00	0.00	0.00	0.00
Total Income	<u>2,500.00</u>	<u>15,395.73</u>	<u>16,145.38</u>	<u>17,086.63</u>	<u>18,370.05</u>
Gross Profit	2,500.00	15,395.73	16,145.38	17,086.63	18,370.05
Expense					
Automobile Expense	0.00	0.00	0.00	0.00	0.00
Bank Service Charges	24.00	0.00	0.00	0.00	0.00
Computer/Billing Supplies	0.00	0.00	0.00	0.00	1,000.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	74.00
Education	0.00	170.00	0.00	0.00	0.00
Employee reimbursements	300.00	0.00	0.00	0.00	0.00
Equipment Rental	0.00	0.00	2,000.00	2,000.00	2,000.00
Fuel	102.00	0.00	92.03	0.00	81.21
Insurance	0.00	0.00	583.08	0.00	0.00
Interest Expense	10.00	0.00	0.00	0.00	0.00
Licenses and Permits	100.00	0.00	412.40	439.00	0.00
Management fee	30,000.00	25,000.00	0.00	0.00	35,000.00
Mileage reimbursement	0.00	0.00	0.00	0.00	0.00
Office Expense	0.00	144.25	0.00	0.00	0.00
Office Supplies	0.00	21.93	0.00	77.22	0.00
Postage and Delivery	0.00	0.00	17.73	0.00	249.54
Professional Fees	30,436.19	100,002.45	3,631.02	0.00	17.50
Rent	2,000.00	2,500.00	0.00	0.00	0.00
Repairs	0.00	0.00	0.00	0.00	0.00
Service Expansion	400.00	0.00	400.00	0.00	517.50
Sewer Service - District	3,572.00	1,974.32	1,365.90	4,172.27	1,539.72
Sewer Service - Elk Grove	4,457.74	2,630.32	5,542.89	1,796.99	3,663.02
Taxes	0.00	0.00	0.00	0.00	4,622.15
Telephone	0.00	0.00	267.06	233.90	165.20
Water Service - District	16,333.99	2,050.61	9,597.47	3,533.40	1,699.14
Water Service - Elk Grove	1,292.87	2,813.74	1,999.09	1,485.23	2,283.27
Total Expense	<u>89,028.79</u>	<u>137,307.62</u>	<u>25,908.67</u>	<u>13,738.01</u>	<u>52,912.25</u>
Net Ordinary Income	<u>-86,528.79</u>	<u>-121,911.89</u>	<u>-9,763.29</u>	<u>3,348.62</u>	<u>-34,542.20</u>
Net Income	<u><u>-86,528.79</u></u>	<u><u>-121,911.89</u></u>	<u><u>-9,763.29</u></u>	<u><u>3,348.62</u></u>	<u><u>-34,542.20</u></u>

Utility Solutions, LLC
Profit & Loss
January through December 2006

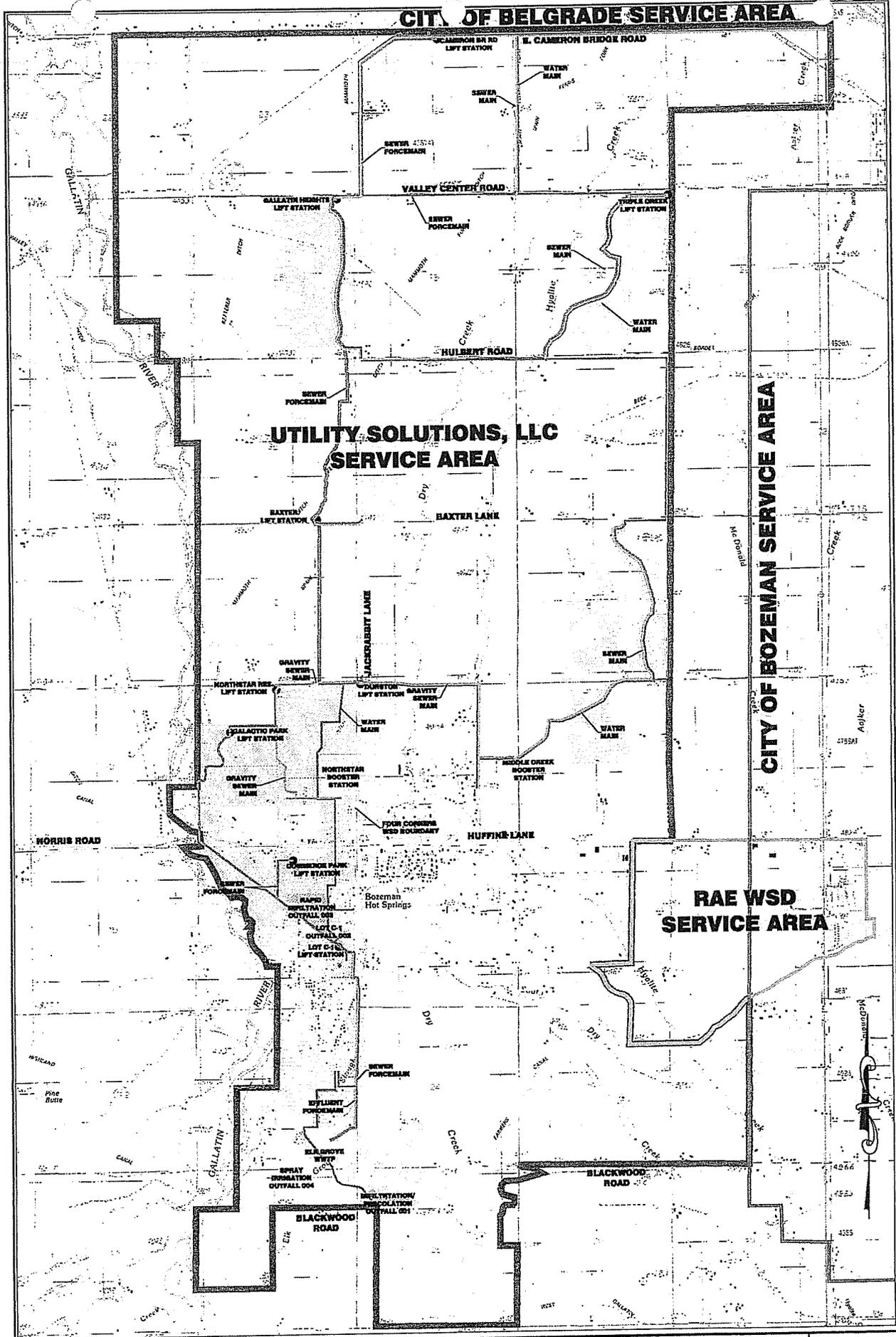
	<u>Jun 06</u>	<u>Jul 06</u>	<u>Aug 06</u>	<u>Sep 06</u>
Ordinary Income/Expense				
Income				
District Contract	0.00	0.00	0.00	0.00
Elk Grove	22,393.28	22,781.77	30,732.04	26,316.61
Meters	0.00	0.00	0.00	0.00
Total Income	<u>22,393.28</u>	<u>22,781.77</u>	<u>30,732.04</u>	<u>26,316.61</u>
Gross Profit	22,393.28	22,781.77	30,732.04	26,316.61
Expense				
Automobile Expense	47.61	0.00	0.00	0.00
Bank Service Charges	158.00	0.00	0.00	0.00
Computer/Billing Supplies	235.00	0.00	0.00	0.00
Dues and Subscriptions	0.00	0.00	0.00	0.00
Education	0.00	0.00	0.00	122.50
Employee reimbursements	0.00	0.00	0.00	0.00
Equipment Rental	2,500.00	2,000.00	1,500.00	0.00
Fuel	68.82	40.02	0.00	0.00
Insurance	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Licenses and Permits	0.00	0.00	381.82	0.00
Management fee	5,000.00	0.00	45,000.00	45,036.67
Mileage reimbursement	131.93	34.79	0.00	0.00
Office Expense	0.00	0.00	0.00	0.00
Office Supplies	0.00	0.00	243.75	0.00
Postage and Delivery	414.06	126.00	412.88	0.00
Professional Fees	2,398.42	775.00	0.00	687.00
Rent	0.00	0.00	0.00	0.00
Repairs	0.00	0.00	268.53	0.00
Service Expansion	6,960.00	0.00	3,006.25	1,793.75
Sewer Service - District	3,575.80	1,536.29	710.46	1,699.79
Sewer Service - Elk Grove	2,905.70	5,648.83	1,679.68	906.52
Taxes	0.00	0.00	0.00	0.00
Telephone	363.34	0.00	170.52	172.20
Water Service - District	3,480.33	9,175.11	2,542.45	3,126.95
Water Service - Elk Grove	1,117.90	1,050.46	2,569.07	1,342.74
Total Expense	<u>29,356.91</u>	<u>20,386.50</u>	<u>58,485.41</u>	<u>54,888.12</u>
Net Ordinary Income	<u>-6,963.63</u>	<u>2,395.27</u>	<u>-27,753.37</u>	<u>-28,571.51</u>
Net Income	<u><u>-6,963.63</u></u>	<u><u>2,395.27</u></u>	<u><u>-27,753.37</u></u>	<u><u>-28,571.51</u></u>

Utility Solutions, LLC
Profit & Loss
January through December 2006

	<u>Oct 06</u>	<u>Nov 06</u>	<u>Dec 06</u>	<u>TOTAL</u>
Ordinary Income/Expense				
Income				
District Contract	0.00	0.00	303,483.08	303,483.08
Elk Grove	23,832.99	17,811.12	17,954.63	228,720.23
Meters	0.00	2,000.00	-4,600.00	0.00
Total Income	<u>23,832.99</u>	<u>19,811.12</u>	<u>316,837.71</u>	<u>532,203.31</u>
Gross Profit	23,832.99	19,811.12	316,837.71	532,203.31
Expense				
Automobile Expense	0.00	0.00	0.00	47.61
Bank Service Charges	0.00	0.00	0.00	182.00
Computer/Billing Supplies	1,583.00	0.00	0.00	2,818.00
Dues and Subscriptions	0.00	0.00	0.00	74.00
Education	0.00	0.00	0.00	292.50
Employee reimbursements	0.00	0.00	0.00	300.00
Equipment Rental	0.00	0.00	0.00	12,000.00
Fuel	92.95	0.00	0.00	477.03
Insurance	0.00	18,031.20	10,400.87	29,015.15
Interest Expense	14,650.02	191,047.49	1,037.53	206,745.04
Licenses and Permits	0.00	0.00	90.00	1,423.22
Management fee	37,151.24	57,421.78	45,053.78	324,663.47
Mileage reimbursement	0.00	0.00	0.00	166.72
Office Expense	783.00	0.00	0.00	927.25
Office Supplies	0.00	0.00	0.00	342.90
Postage and Delivery	0.00	0.00	0.00	1,220.21
Professional Fees	0.00	5,348.89	10,831.69	154,128.16
Rent	1,600.00	800.00	800.00	7,700.00
Repairs	901.25	0.00	0.00	1,169.78
Service Expansion	-11,601.81	-6,761.19	59,821.95	54,536.45
Sewer Service - District	602.09	5,561.43	489.26	26,799.33
Sewer Service - Elk Grove	1,555.71	11,146.53	5,407.35	47,341.28
Taxes	0.00	0.00	0.00	4,622.15
Telephone	169.54	169.33	169.23	1,880.32
Water Service - District	3,115.12	2,075.19	2,485.20	59,214.96
Water Service - Elk Grove	1,732.81	1,779.46	796.94	20,263.58
Total Expense	<u>52,334.92</u>	<u>286,620.11</u>	<u>137,383.80</u>	<u>958,351.11</u>
Net Ordinary Income	<u>-28,501.93</u>	<u>-266,808.99</u>	<u>179,453.91</u>	<u>-426,147.80</u>
Net Income	<u><u>-28,501.93</u></u>	<u><u>-266,808.99</u></u>	<u><u>179,453.91</u></u>	<u><u>-426,147.80</u></u>

Exhibit PSC-006a

CITY OF BELGRADE SERVICE AREA



UTILITY SOLUTIONS, LLC SERVICE AREA

CITY OF BOZEMAN SERVICE AREA

RAE WSD SERVICE AREA

 <p>MORRISON MAIERLE, INC. An Display-Orsted Company</p>	<p>Engineers Surveyors Scientists Planners</p>	<p>801 Technology Blvd. Bozeman MT 59718 Phone: (406) 587-4721 Fax: (406) 587-1178</p>	<p>DRAWN BY: EJB CHECKED BY: MEG APPROVED BY: MEG DATE: 8/2007</p>	BOZEMAN	UTILITY SOLUTIONS, LLC WATER AND SEWER UTILITIES	MONTANA	PROJECT NO. 370617
				VICINITY MAP			

H:\STANDARD\BACAD\EDIBTRBUS FACILITY VICINITY 081407.dwg Plotted by daniel on 08/22/2007

Exhibit PSC-006d

ELK GROVE SUBDIVISION WATER USAGE				
2006	Days in billing cycle	Total Subdivision Usage (gallons)	Number of households	Average usage per household (gallons)
February	initial readings 02/10/06	891,000	202	4,411
March	02/10 - 03/10 = 28 days	908,000	214	4,243
April	03/11 - 04/10 = 31 days	879,000	218	4,032
May	04/11 - 05/10 = 30 days	1,281,000	222	5,770
June	05/11 - 06/12 = 33 days	4,292,000	224	19,161
July	06/13 - 07/07 = 25 days	4,445,000	226	19,668
August	07/08 - 08/11 = 35 days	9,163,000	230	39,839
September	08/12 - 09/07 = 27 days	6,401,000	231	27,710
October	09/08 - 10/10 = 33 days	4,746,000	234	20,282
November	10/11 - 11/09 = 30 days	1,087,000	234	4,645
December	11/10 - 12/11 = 32 days	1,103,000	235	4,694
TOTALS:		35,196,000		14,041
2007				
January	12/12 - 01/10 = 30 days	1,099,000	237	4,637
February	01/11 - 02/09 = 28 days	1,002,000	239	4,192
March	02/10 - 03/09 = 27 days	866,000	243	3,564
April	03/10 - 04/10 = 32 days	1,130,000	244	4,631
May	04/11 - 05/10 = 30 days	1,419,000	245	5,792
June	05/11 - 06/11 = 32 days	3,370,000	245	13,755
July	06/12 - 07/10 = 29 days	7,086,000	248	28,573
August	07/11 - 08/10 = 31 days	10,115,000	249	40,622
September	08/11 - 09/11 = 32 days	7,826,000	253	30,933
October	09/12 - 10/10 = 29 days	2,878,000	255	11,286
November	10/11 - 11/12 = 33 days	1,296,000	252	5,143
December	11/13 - 12/10 = 28 days	1,019,000	255	3,996
TOTALS:		39,106,000		13,094

E.G. 2006

UTILITY SOLUTIONS

COPY

November 14, 2006

Jan Mack
DNRC Bozeman Regional Office
2273 Boothill Court, Suite 110
Bozeman, MT 59715

RE: Flow Measurement for Water Use Permit 41H P110168-00

Jan:

Enclosed is the 2005-2006 flow measurement that was conducted by Utility Solutions for Water Use Permit 41H P110168-00. This water use permit serves the Elk Grove Subdivision with a total volume of 404 acre-feet/year.

Water flow is measured using a totalizing meter on the inlet to the storage tank as is discussed in the permit application. Total water used for this year is 153.48 acre-feet.

Please let me know if you need any additional information.

Sincerely,



John P. Close
Manager

cc: Barbara Campbell

**WATER MEASUREMENT
FLOW METER REPORT**

WATER RIGHT OWNER'S NAME: [OWNER NAME] Utility Solutions LLC
 NO: [WR# OR #S] 4147 110100-00
 LOCATION: [LOCATION] See above
 USER INFORMATION: [SPECIAL DESCRIPTION OF PROJECT]
 MEASUREMENTS REQUIRED: [WHEN TO MEASURE, ETC]
 TYPE OF DEVICE USED: [DEVICE USED (IF KNOWN)] Flow Meter

A DATE	B TIME	C PERIOD OF OPERATION (Hours)	D FLOW RATE (Circle one: CFS or <u>GPM</u>)	E VOLUME (Circle one: AF or <u>GAL</u>)
1-1-06	10:50am			
1-3-06	10:25am	516	29.85	1,461,400
1-3-06	10:45am	696	33.06	1,380,550
2-1-06	10:10am	696	32.31	1,344,400
2-1-06	10:40am	672	27.65	913,100
3-1-06	9:10am	816	29.83	1,350,750
3-1-06	8:45am	848	19.81	1,264,050
3-1-06	9:30am	744	27.02	3,911,400
4-2-06	8:00am	696	30.83	5,881,000
4-1-06	9:00am	768	241.12	11,111,000
2-3-06	8:02am	720	245.75	10,573,000
10-3-06	4:30am	792	186.55	8,865,000
1-1-06	9:30am	296	26.89	1,956,000
F. \equiv VOLUME AT END OF RECORDING PERIOD				7668250
G. \equiv VOLUME AT START OF RECORDING PERIOD				136671000
H. TOTAL VOLUME USED THIS YEAR (Circle one: <u>GAL</u> or AF)				50,012,150
I. TOTAL VOLUME USED THIS YEAR IN ACRE-FEET (Conversion: 1 AF = 325,851 gallons)				153.48

E.G. 2007

UTILITY SOLUTIONS

COPY

November 14, 2007

Jan Mack
DNRC Bozeman Regional Office
2273 Boothill Court, Suite 110
Bozeman, MT 59715

RE: Flow Measurement for Water Use Permit 41H P110168-00

Dear Jan:

Enclosed is the 2006-2007 flow measurement that was conducted by Utility Solutions for Water Use Permit 41H P110168-00. This water use permit serves the Elk Grove Subdivision with a total volume of 404 acre-feet/year.

Water flow is measured using a totalizing meter on the wells. Total water used for this period is 179.8 acre-feet.

Please let me know if you need any additional information.

Sincerely,



John P. Close
Manager

cc: Barbara Campbell

**WATER MEASUREMENT
FLOW METER REPORT**

DATE: 11/15/07

WATER RIGHT OWNER'S NAME: [OWNER NAME] UTILITY SOLUTIONS LLC

NO: [WR# OR #FS] 41 HP 110168-00

LOCATION: [LOCATION] ELK GROVE SUBDIVISION

USER INFORMATION: [SPECIAL DESCRIPTION OF PROJECT]

MEASUREMENTS REQUIRED: [WHEN TO MEASURE, ETC]

TYPE OF DEVICE USED: [DEVICE USED (IF KNOWN)] Flow METER

A DATE	B TIME	C PERIOD OF OPERATION (Hours)	D FLOW RATE (Circle one: CFS or GPM)	E VOLUME (Circle one: AF or GAL)
11-1-06	9:00			
12-1-06	9:30	90	212	1,143,000
1-3-07	10:00	95	203	1,151,359
2-1-07	11:30	130	205	1,603,500
3-1-07	8:30	112	215	1,438,300
4-07	9:00	122	218	1,603,500
5-2-07	9:00	124	208	1,551,800
6-3-07	10:00	392	211	4,967,000
7-1-07	11:00	665	215	8,576,600
8-1-07	11:30	1155	211	14,622,700
9-1-07	9:30	995	212	12,659,883
10-1-07	9:00	600	203	7,312,742
11-1-07	9:00	153	214	1,960,300
F. ≡ VOLUME AT END OF RECORDING PERIOD				195,249,539
G. ≡ VOLUME AT START OF RECORDING PERIOD				136,658,850
H. TOTAL VOLUME USED THIS YEAR (Circle one: GAL or AF)				58,590,689
TOTAL VOLUME USED THIS YEAR IN ACRE-FEET (Conversion: 1 AF = 325,851 gallons)				179.8

J. METER MANUFACTURER HERSEY K. MODEL NO. HORIZON L. PIPE DIAMETER (INCHES) 6"

Exhibit PSC-008

ARTICLES OF ORGANIZATION
OF
UTILITY SOLUTIONS, LLC

Executed by the undersigned person(s) of legal age, for the purpose of forming a Montana Limited Liability Company, under the "Montana Limited Liability Act," Title 35, Chapter 8 of the Montana Code Annotated.

ARTICLE I

Name. The name of the limited liability company is: UTILITY SOLUTIONS, LLC.

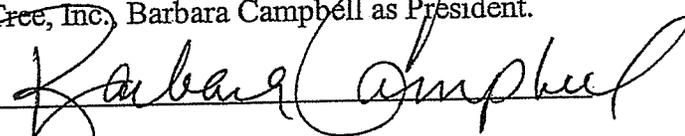
ARTICLE II

Period of Existence. The LLC is not a term company, and its existence shall be perpetual.

ARTICLE III

Principal Place of Business/Registered Agent and Office. The address of the principal place of business is 4050 S. 3rd Road, Bozeman, Montana 59715 and initial registered office of the limited liability company is 4050 S. 3rd Road, Bozeman, Montana 59715 and the name of the initial registered agent at such office is Double Tree, Inc. Barbara Campbell as President.

Signature of Registered Agent:



ARTICLE IV

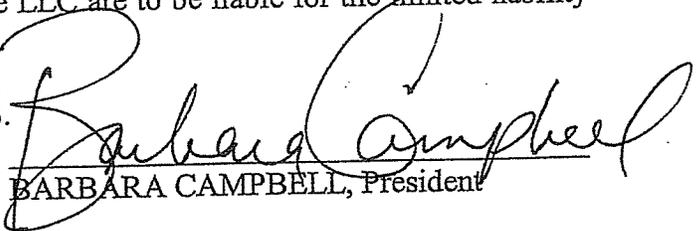
Management. The LLC will be managed by its Manager, and the name of the Manager and street address is:

Double Tree, Inc.
4050 S. 3rd Road
Bozeman, Montana 59715

ARTICLE V

Liability of Members. No Members of the LLC are to be liable for the limited liability company's debts and obligations under 35-8-304(3).

DATED this 15 day of May, 2003.



BARBARA CAMPBELL, President

Exhibit PSC-011

Water Supply and Wastewater Treatment Service Agreement

This Agreement is entered into and effective as of this 24th day of May, 2005, by and between Utility Solutions, LLC, a Montana limited liability company with its principal place of business located in Gallatin County, Montana ("US") and the Four Corners County Water and Sewer District, a political subdivision of the State of Montana located in Gallatin County, Montana ("the District").

Recitals

Whereas US has acquired and is in the process of acquiring, constructing and developing facilities and systems to provide a water supply and wastewater treatment and disposal for properties in the Four Corners area of Gallatin County, Montana, including those properties which as of the effective date of this Agreement have been granted preliminary approval by Gallatin County for their subdivision and development;

Whereas the District has been created in accordance with MCA 7-13-2201 *et. seq.* as a political subdivision and a municipal corporation of the State of Montana, with jurisdictional boundaries that include properties in the Four Corners Area of Gallatin County, Montana;

Whereas the District was formed, *inter alia*, to provide a water supply and wastewater treatment for the properties within its jurisdictional boundaries;

Whereas the property within the jurisdictional boundaries of the District has been approved for subdivision by Gallatin County in accordance with the provisions of MCA 76-3-501 *et. seq.*, as confirmed by preliminary plats for such subdivisions;

Whereas the subdivisions approved by Gallatin County within the jurisdictional boundaries of the District have not as yet been developed in accordance with the terms of the preliminary plats confirmed for such subdivisions;

Whereas the District does not wish to incur the cost of acquiring the rights to a water supply and wastewater treatment for all the property within its jurisdictional boundaries until such time that all such property is likely to be imminently developed;

Whereas the District has identified a discrete portion of the lands within its jurisdictional boundaries that is likely to be developed and require a water supply and wastewater treatment in the near future (Service Area No. 2);

Whereas the District wishes to secure the right to a water supply and wastewater treatment for those lands within Service Area No. 2. and to thereafter negotiate with US

for additional water supplies and additional wastewater treatment for the remaining lands within its jurisdictional boundaries as the additional lands are developed;

Whereas US is willing to identify a specific portion of the capacity of all its facilities and systems in an amount required to fulfill the water supply and wastewater treatment requirements of those lands within Service Area No. 2, and leave that portion of the capacity of its facilities and systems available for these purposes, all according to the terms and conditions set forth herein;

Whereas US is willing to provide for a water supply and wastewater treatment for all those lands within Service Area No. 2, all according to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants, provisions, and agreements set forth herein, the parties agree as follows:

1. **Confirmation of Recitals.** The Recitals set forth herein are true and accurate.

2. **Definitions.** As used in this Agreement, the following terms shall have the designated meanings.
 - A. "Agreement" shall mean this agreement between US and the District, including all exhibits hereto, as this agreement may be modified from time to time pursuant to its terms.
 - B. "Allocated Capital Repairs and Replacements" shall mean all those Capital Repairs and Replacements made to or conducted upon any of the Allocated Water and Wastewater Facilities and Systems. For the purposes of such repairs, replacements, or improvements made to or conducted upon any of the Common Use Elements or any part thereof, Allocated Capital Repairs and Replacements shall mean only the proportionate amount of the costs incurred for such repairs, replacements, and/or improvements as is determined in accordance with the designation of the Common Use Wastewater Treatment Element, regardless of whether such costs were in any part incurred for the Common Use Water Supply Element, as that Common Use Wastewater Treatment Element may appear at the close of the year in which such costs are incurred. The proportionate amount of the costs of capital repairs, replacements, and improvements made to any Common Use Element, as determined in accordance with the terms of this Agreement, shall remain fixed for the term of this Agreement, notwithstanding subsequent additional improvements or replacements that may thereafter increase the capacity of the Water and Wastewater Treatment Facilities and Systems in a way that would otherwise reduce this proportionate amount. For the purposes of such repairs, replacements, or improvements made to or conducted upon the Exclusive Use Element, Allocated Capital Repairs and

Replacements shall mean all the costs incurred for such repairs, replacements, and or improvements

- C. "Allocated Water and Wastewater Treatment Facilities" shall mean that portion of the Water and Wastewater Treatment and Facilities that are used in any measure or part to pump, treat and distribute water to the District under the terms of this Agreement, and/or used in any measure or part to collect, treat, and discharge any sewage or other wastewater collected from the District under the terms of this Agreement, together with all replacements and additions thereto, that are made available under the terms of this Agreement for use by the District, as set forth and described in Section 3 hereof. The Allocated Water and Wastewater Treatment Facilities shall be comprised of the Exclusive Use Element and the Common Use Element. Unless modified in the Water Facilities Plan or any amendments thereto, and in that event as modified or amended, the Exclusive Use Element shall consist of all those pipelines, meters, and associated distribution facilities set out and described on Exhibit C hereto. Unless modified in the Water Facilities Plan or any amendments thereto, and in that event as modified or amended, the Common Use Elements shall consist of the Common Use Water Supply Element and the Common Use Wastewater Treatment Element. The Common Use Water Supply Element shall consist of a proportionate amount of the pumps, wells, pipelines, and treatment facilities set out on Exhibit D hereto that are used to provide a water and water supply under the Water and Wastewater Treatment Facilities and Systems to the District under the terms hereof as well as to parties and entities not provided for in this agreement. The proportionate amount of the Common Use Water Supply Element made available to the District under the terms of this Agreement shall equal that proportion between the Water Supply Capacity, as set forth in Section 3 b.) hereof, and the total average daily flow capacity of the all the pumps, wells, and treatment facilities set forth on Exhibit D hereto. The Common Use Wastewater Treatment Element shall consist of a proportionate amount of the collection pipelines, treatment plants, and discharge facilities set out on Exhibit E hereto that are used to collect, treat, and discharge water under the Water and Wastewater Treatment Facilities and Systems to the District under the terms hereof as well as to parties and entities not provided for in this agreement. The proportionate amount of the Common Use Wastewater Treatment Element made available to the District under the terms of this Agreement shall equal that proportion between the Wastewater Treatment Capacity, as set forth in Section 3 c.) hereof, and the total average daily flow capacity of the treatment plant. The total average daily flow capacity of the treatment plant shall be that treatment capacity that exists at the time of the determination of that capacity, as determined in accordance with the Department of Environmental Quality Circular 2, Design Standards for Wastewater Facilities, Chp. 10. The total average daily flow capacity of the pumps, wells, and treatment facilities that supply water to Service Area No. 2 shall be that capacity that exists at the time of the determination of that capacity, as determined in accordance with Montana

Department of Environmental Quality Circular 1 In the event that the DEQ or other state agency has made a determination of such capacities or either of them at the time the proportionate amount is determined from time to time under this Agreement, then and in that event the total average daily flow capacity shall be that capacity determined by the DEQ or other state agency.

- D. "Base Rate" shall mean that portion of the payment required for water and wastewater treatment set forth in Paragraph 4 hereof.
- E. "Capital Repairs and Replacements" shall mean all those capital repairs, capital improvements, and/or capital replacements made to any of the Water and Wastewater Treatment and Facilities after their construction in substantial accordance with the Facilities Plan, or in the event that such a Plan is not required, as such repairs, improvements, and/or replacements are actually constructed and installed. Capital repairs, improvements and/or replacements shall be distinguished from current expenses in accordance with generally accepted accounting principles.
- F. "DEQ" shall mean the Department of Environmental Quality of the State of Montana.
- G. "District" or "the District" shall mean the Four Corners Water and Sewer District with the jurisdictional boundaries set out and described on Exhibit A hereto. For the purposes of this Agreement, the District shall not include any property or territory annexed to the District after the effective date of this Agreement without the express written consent of US.
- H. "Facilities Plan" shall mean that plan for water and wastewater treatment approved by the Department of Environmental Quality of the State of Montana pursuant to MCA 76-4-101 et. seq, that approves of the design and construction of water and wastewater facilities and systems for lands that include Service Area No. 2, as such Plan may be amended from time to time.
- I. "Final Plat Approval" shall mean that approval of the final plat for Northstar and the final plat for Galactic Park, as provided for in MCA 76-3-611.
- J. "Galactic Park" shall mean that subdivision approved by the Gallatin County Commission by the confirmation of a preliminary plat on January 15, 2002.
- K. "Northstar" shall mean that subdivision approved by the Gallatin County Commission by the confirmation of a preliminary plat on January 22, 2002.
- L. "Operations Rate" shall mean that portion of the payment required for water and wastewater treatment set forth in Paragraph 4 hereof.
- M. "Water and Wastewater Treatment Facilities" shall mean all those wells, pumps, storage tanks, treatment plants, pipelines, and wastewater treatment plants and equipment that are designed, built or constructed in accordance with the provisions of the Facilities Plan or otherwise in accordance with any facility plan procured by persons or entities not party to this Agreement, or that may otherwise be designed, built, or constructed without the need for any such plan, by US for the provision of water supplies and sewage and other wastewater treatment for property located in and about the Four Corners area of Gallatin County, Montana, together with all replacements and additions thereto. Water and Wastewater Treatment and Facilities shall include the Allocated Water and Wastewater Treatment and Facilities.

- N. "Service Area No. 2" shall mean all the property that is part of the District that is set out and described on Exhibit B hereto.
- O. "US" shall mean Utility Solutions, Inc, and its successors and assigns.

3. Provision of Water Supply and Wastewater Treatment Facilities and Service.
US shall design, build, and construct, or otherwise acquire, the Water and Wastewater Facilities and Systems, and shall operate and maintain those facilities and systems, to provide that water supply and that sewage and other wastewater treatment and disposal, as is set forth in this Section.

A. Water and Wastewater Facilities and Systems. Subject to the terms and conditions set forth herein, US shall build, install or construct, or otherwise acquire, at its sole cost and expense, the Water and Wastewater Treatment Facilities and Systems required to serve Service Area No. 2, as those facilities and systems are set out and described in the Facility Plan. Where the Facility Plan sets out alternatives for any of the Water Supply and Wastewater Treatment Facilities and Systems, US may in its discretion build, install, or construct any of the alternatives set out in such Plan. Nothing in this paragraph shall be construed to prevent or prohibit US from seeking or confirming amendments to the Facility Plan that authorize additional or different water supply and wastewater treatment facilities and systems for Service Area No. 2 than are currently set forth in the Plan on the effective date of this Agreement. US shall provide the District with notice of US's intent to seek any such amendment to the Facility Plan at such time that such amendments or revisions are submitted to the DEQ. The portion of the Water and Wastewater Treatment Facilities and Systems, as those facilities and systems are constructed and hereinafter repaired, replaced and improved, that is required to pump, treat and distribute water to the District, and/or that are required to collect, treat, and discharge any sewage or other wastewater collected from the District, all under the terms of this Agreement, shall be the Allocated Water and Wastewater Treatment Facilities.

B. Water Supply. From and after the completion of the Allocated Water Supply and Wastewater Treatment Facilities and Systems, US shall, subject to the terms and conditions of this Agreement, supply the District with that water supply set forth and described in this paragraph for use only in Service Area No. 2. Except as provided in Section 5 hereof, US shall provide water at rates that do not exceed an average daily flow of 284.7 gallons per minute, and a peak instantaneous flow of 1356.3 gallons per minute, except in the event that the Facility Plan requires greater or lesser amounts, and in that case, US shall supply those increased or decreased amounts (the "Water Supply Capacity"). All such water shall be consistent with all applicable federal, state and local requirements, subject to all permitted exceedences and variances set forth in such requirements.

C. Wastewater Treatment. From and after the completion of the Allocated Water Supply and Wastewater Treatment Facilities and Systems, US shall, subject to the terms and conditions of this Agreement, provide the District with that wastewater collection, treatment, and disposal set forth and described in this paragraph for use in the collection, treatment, and disposal of sewage and other wastewater only from Service Area No. 2. Except as provided in Section 5 hereof, US shall provide treatment for sewage and other wastewater from Service Area No. 2 at rates up to but not exceeding an average daily flow of 210,425 gallons, except in the event that the Facility Plan requires greater or lesser amounts, and in that case, US shall supply those increased or decreased amounts (the "Wastewater Treatment Capacity"). All such sewage and other wastewater treatment shall be consistent with all applicable federal, state and local requirements, subject to all permitted exceedences and variances set forth in such requirements.

4. Payment Obligations of the District. The District shall pay US for the water and wastewater service set forth herein an amount equal to the Base Rate and the Operations Rate, as determined in accordance with the terms of this section..

A. Base Rate. The Base Rate shall be the sum of \$459,000.00 per year, payable without demand in two equal installments of \$229,500.00 each on a semiannual basis on January 1st and July 1st of each year. The District shall use its authorities under MCA 7-13-2301 and/or MCA 7-13-2302 to levy such taxes and otherwise make such charges and assessments that may be required to promptly pay one-half of the Base Rate at each semiannual date. The first semiannual payment shall be due on the first semiannual date that is more than six months after that date upon which the first development within Service Area No. 2 interconnects with any part of the Allocated Water Supply and Wastewater Treatment Facilities and Systems.

B. Adjustments to Base Rate. The Base Rate shall be adjusted only in accordance with the terms of this paragraph.

a.) Increases or Decreases Arising Through Cost of Capital. The Base Rate shall be increased or decreased, at any time after the close of any calendar year that is more than twelve months after the first payment of the Base Rate, by increases or decreases in the prime lending rate, as reported by the Wall Street Journal. The base prime lending rate shall be the average prime lending rate for the calendar year next preceding the close of any calendar year. Whenever the average prime rate for that calendar year is greater or less than the base prime lending rate for the previous year, the Base Rate shall be increased or decreased as the case may be by the percentage change in the average prime lending rate, and the increased or decreased prime lending rate shall in that event be the base prime lending rate for the purposes of all subsequent adjustments to the Base Rate. US shall not

adjust the Base Rate more than once annually pursuant to the terms of this subparagraph, and US shall notify the District by January 31st of any year of any such increase or decrease in the Base Rate arising as a result of an increase in the prime lending rate in the prior year. Thereafter, the District shall pay the modified Base Rate for that year and all subsequent years, except in the event that the Base Rate is further modified in accordance with the terms of this Section.

b.) Increases Arising From Capital Repairs and Replacements. In addition to any increases in the Base Rate arising under subparagraph a.), from and after the completion of the Allocated Water and Wastewater Treatment Facilities and Systems in accordance with the Facilities Plan, the Base Rate may be increased at the close of any calendar year whenever US has incurred the cost of any Capital Repairs and Replacements during that year. The cost of the Capital Repairs and Replacements shall be determined on an accrual basis, and shall consist of all costs of every kind and character associated with or arising out of the capital repair, improvement, or replacement of any part of the Allocated Water and Wastewater Treatment Facilities and Systems, including without limitation the costs attendant to the design, construction, and management of any such repairs, replacements, or improvements, and all capitalized interest associated therewith. The Base Rate shall be increased by that amount that equals the total accrued cost of the Allocated Capital Repairs and Replacements, as multiplied by the average prime lending rate plus one (1) per cent as reported for the previous year in the Wall Street Journal. US shall notify the District by January 31st of any year of any such increase in the Base Rate arising as a result of Capital Repairs or Replacements in the prior year. The District shall thereupon pay the increase in the Base Rate for that year and all subsequent years, except in the event that the Base Rate is further modified in accordance with the terms of this Section. The District shall make such increased payments regardless of whether the District elects to arbitrate the propriety or amount of such Capital Repairs and Replacements in accordance with Section 11B hereof, until the Arbitrator's decision modifies or eliminates any such increases.

c.) Increases Arising From Cost of Electricity. In addition to any increase in the Base Rate arising under subparagraphs a.) and/or b.) hereof, the Base Rate shall be increased, at any time after the close of any calendar year that is more than twelve months after the first payment of the Base Rate, by an amount equal to the increased cost of energy. An increased cost of energy shall be deemed to have occurred whenever the cost per kilowatt of capacity and/or the cost per kilowatt hour of energy is greater on January 1 than the average cost of capacity and/or energy for the previous year. For the purposes of determining

the average cost of capacity and/or energy, the average shall be weighted to reflect that proportion of the year in which capacity or energy was available at the various prices for energy and/or capacity for that year. For the purposes of determining the cost of energy or capacity on January 1 of any given year, the price as set forth by the supplier of that energy and/or capacity shall be conclusive. Whenever the cost for energy and/or capacity is greater on January 1st than the average cost for energy and/or capacity for the previous year, the Base Rate shall be increased by the difference between the average cost for capacity and/or energy and the cost of energy and/or capacity as determined on January 1st as multiplied by the total number of kilowatts or kilowatt hours consumed in the prior year. US shall not adjust the Base Rate more than once annually pursuant to the terms of this subparagraph, and US shall notify the District by January 31st of any year of any such increase in the Base Rate arising as a result of the increase in the cost of energy and/or capacity from the prior year. Thereafter, the District shall pay the increased Base Rate for that year and all subsequent years, except in the event that the Base Rate is further modified in accordance with the terms of this Section. In no event shall any increase in the Base Rate be denied or limited based any assertion or other allegation that energy and capacity may have been available from other suppliers at rates that are lower in cost than those incurred by US.

d.) **Increases as a Result of Taxes.** In addition to any increases in the Base Rate arising under subparagraphs a.), b.), and/or c.) hereof, the Base Rate shall be increased, at any time after the close of any calendar year that is more than twenty four months after the first payment of the Base Rate, by increases in any ad valorem or other like taxes, including without limitation all assessments and other governmental charges levied upon or generated by the ownership or use of real or personal property, that are imposed upon the Water and Wastewater Treatment and Facilities, or any excise or sales tax imposed upon the distribution of water or wastewater treatment from the Water and Wastewater Treatment and Facilities. Such an increase will be deemed to have occurred whenever the taxes for the prior calendar year are greater in amount than the taxes imposed or assessed in the next preceding year. In that event, the Base Rate shall be increased by the difference in the amount of such taxes, and the increased taxes shall in that event be the amount of taxes for the purposes of all subsequent adjustments to the Base Rate. US shall not adjust the Base Rate more than once annually pursuant to the terms of this subparagraph, and US shall notify the District by January 31st of any year of any such increase in the Base Rate arising as a result of the increase in such taxes. Thereafter, the District shall pay the increased Base Rate for that year and all subsequent years, except in the event

that the Base Rate is further modified in accordance with the terms of this Section. Notwithstanding any other term in this subparagraph, no adjustment in the Base Rate pursuant to the terms of this subparagraph shall be made where the District provides US with satisfactory evidence from the Treasurer of Gallatin County that no assessment has been made upon lands or property of US to the extent that any of the Water and Wastewater Facilities and Systems are used by the District, and there is no excise or other sales tax levied upon US relating to the provision of a water supply and wastewater treatment and disposal pursuant to the terms of this Agreement

e.) **Other Increases.** In addition to all other increases in the Base Rate provided for in this Section, the Base Rate shall be increased where, as a result of requirements that may be hereinafter enacted or adopted under MCA 75-6-101 et. seq., MCA 75-5-101 et. seq., and/or any like provisions of federal law and/or local ordinance, as any of these laws, regulations, or ordinances currently exist or may be hereafter amended, the actual cost of US in operating or maintaining the Water and Wastewater Facilities and Systems increases by more than 15% in a single year, or would increase by more than 15% if such costs were incurred for an entire calendar year, then and in that event, the Base Rate shall increase by the percent increase that exceeds 15% in the operation and maintenance costs of US that are attributable to such new requirements. US shall notify the District by January 31st of any year of any such increase in the Base Rate arising as under this subparagraph. The District shall thereupon pay the increase in the Base Rate for that year and all subsequent years, except in the event that the Base Rate is further modified in accordance with the terms of this Section.

f.) **New Base Rate As A Result of Adjustments.** In the event that adjustments are made to the Base Rate in accordance with the terms of this paragraph, all such adjustments then available to US shall be made to the then existing base rate, and the adjusted base rate shall thereafter be the Base Rate for the purposes of the payments required herein from the District and all ensuing adjustments to that Base Rate in subsequent years.

C. **Operations Rate.** The Operations Rate shall be the sum of \$38.00 per month for an Equivalent Domestic Unit (EDU) within the District, provided that no more than 10,000 gallons of water is delivered to each EDU in a single month, and in that event, the additional amount of \$1.50 for each and every 1,000 gallons of water thereafter in that month. An EDU for the purposes of this paragraph shall mean the interconnection of each lot in Galactic Park and Northstar that are within the boundaries of Service Area No. 2, as such lots shall

appear in the Final Plats, with the water supply lines of US, in accordance with the base rates assigned each such lot as set forth in accordance with Exhibit F hereto. The District shall require that each and every lot be equipped with appropriate metering equipment that is capable of accurately measuring and recording the total amount of water used by any development on that lot, and shall read or otherwise record the metered amounts at least monthly. US may have access to and test any meters required pursuant to the terms of this Section not more than once every two years. In the event that the meters tested by US are found to register inaccurately by more than two percent in the aggregate, the costs of such inspections and testing shall be reimbursed by the District and the defective meters repaired and/or replaced at the expense of the District, provided that US tests at least 25 meters. The first monthly payment shall be due and payable on the tenth day of that month that is more than two (2) months after that date upon which the first development within Service Area No. 2 interconnects with any part of the Allocated Water Supply and Wastewater Treatment Facilities and Systems, and payment for each additional interconnection shall be made by the tenth day of the month following the month of interconnection. Thereafter, monthly payments shall be made without demand on the tenth day of each and every month thereafter until the expiration or termination of this agreement. The District shall use its authorities under MCA 7-13-2301 and/or MCA 7-13-2302 to collect those revenues that are required to promptly pay all the Operations Rate at the times it is due. Notwithstanding any other term in this subparagraph, whenever an interconnection is made to any of the water supply lines of US solely to provide a water supply for fire suppression, then and in that event that monthly rate for such service shall be one hundred (\$100.00) per month.

D. Adjustments to Operations Rate. The Operations Rate shall be adjusted only in accordance with the terms of this paragraph.

a.) **Increases in Operations Rate.** The Operations Rate shall be increased, at any time after the first full calendar year of payment of the Operations Rate, by increases in the national Consumer Price Index as computed for all consumers (the CPI-U, without seasonal adjustment). Any increase in the Consumer Price Index shall be deemed to have occurred where the Index, as computed on an average annual basis, is greater for any year than it was for the immediately preceding year. In that event, the Operations Rate shall increase at the same percentage as the percentage increase in the Consumer Price Index.

US shall not adjust the Operations Rate more than once annually pursuant to the terms of this subparagraph, and US shall notify the District by January 31st of any year of any such increase or decrease in the Operations Rate

arising as a result of increases in costs from the prior year. Thereafter, the District shall pay the increased rate each and every month thereafter commencing on March 1st for that year and all subsequent years, except in the event that the Operations Rate is further modified in accordance with the terms of this Section.

E. New Operations Rate As A Result of Adjustments. In the event that adjustments are made to the Operations Rate in accordance with the terms of this paragraph, all such adjustments then available to US shall be made to the then existing operations rate, and the adjusted operations rate shall thereafter be the Operations Rate for the purposes of the payments required herein from the District and all ensuing adjustments to that Operations Rate in subsequent years

5. Adjustment to Allocated Water and Wastewater Facilities and Systems. From and after the full development of all those lots that are set forth in the Final Plat for Northstar and Galactic Park that are within the boundaries of Service Area No. 2, US may adjust the Allocated Water and Wastewater Facilities and Systems, and the Wastewater Treatment Capacity and Water Supply Capacity as set forth in Section 3 hereof, all in accordance with the terms of this section. Upon such full development, the sizes of the lines that interconnect each such lot within Service Area No. 2 shall be assigned those daily average flow requirements set forth on Exhibit F hereto. Whenever the aggregate daily flow requirement as computed in this fashion, plus the amount of 5,000 gallons of average daily flow, is less than the Wastewater Treatment Capacity and Water Supply Capacity set forth in Section 3 hereof, then and in that event the Allocated Water and Wastewater Facilities and Systems, and the Wastewater Treatment Capacity and Water Supply Capacity as the case may be, shall, at the election of US, be limited to the collection, treatment, and discharge of wastewater from Service Area No. 2 at rates that do not exceed the aggregate daily flow as computed from Exhibit F hereto, plus the amount of 5,000 gallons of average daily flow, and/or limited to the pumping, treatment, and distribution of water for Service Area No. 2 at rates that do not exceed the aggregate daily flow as computed from Exhibit F hereto, plus the amount of 5,000 gallons of average daily flow. The adjustment of the Allocated Water and Wastewater Facilities and Systems and the Wastewater Treatment Capacity and/or Water Supply Capacity in accordance with the terms of this section shall not alter or amend, or otherwise relieve or reduce, any of the District's obligations to pay the full amounts set forth in Section 4 hereof, except that the adjusted Wastewater Treatment Capacity shall thereafter be used to determine the proportionate amount of Capital Repairs and Replacements to Common Use Elements that are Allocated Capital Repairs and Replacements under the terms of this Agreement.

6. District Obligations to Enforce Pretreatment Requirements. As a limitation on the duty of US to provide that wastewater treatment set forth in Section 3C hereof, and as a covenant of the District to US, the District agrees to adopt and continually enforce all those pretreatment requirements set forth in 40 CFR Part 401 et. seq. and/or 17 ARM 30.1401 et. seq. as these requirements may be amended from time to time throughout the term of this Agreement, and not otherwise allow, permit, or suffer the discharge of any

materials deemed hazardous under any federal, state, or local law, or that otherwise cause an exceedence or violation of any discharge permits held by US. The District shall prohibit any landowner within Service Area No. 2 from interconnecting with any part of the Water and Wastewater Treatment Facilities and Systems where such landowner is subject to the designated pretreatment requirements and the landowner lacks the equipment or facilities to comply with such pretreatment standards. The District shall otherwise immediately disconnect any landowner within Service Area No. 2 from any part of the Water and Wastewater Treatment Facilities and Systems where such landowner fails to maintain his discharge, wastewater, or other effluent in accordance with the standards and requirements in this Section.

7. **Adoption of Ordinance and Duty to Enforce.** In order to induce US to make available to the District the Allocated Water and Wastewater Treatment Facilities and Systems as demand for such services unfold within Service Area No. 2, and without limiting the authority of the District to adopt such ordinances as it may find necessary or prudent to fulfill its obligations under Section 3 or Section 6 hereof, the District shall adopt, and keep in full force and effect throughout the term of this Agreement by complete enforcement of all the terms thereof, an ordinance prohibiting each landowner of property located in Service Area No. 2 from constructing or drilling a well, or constructing or installing a septic system, or otherwise securing a water supply or wastewater treatment other than through the District under the terms of this Agreement. The ordinance shall be adopted and maintained in substantially that form and substance set forth on Exhibit G hereto.

8. **Term of Agreement.** The term of this Agreement shall be twenty (20) years from the effective date of this Agreement.

9. **Additional Service Areas.** US and the District acknowledge that areas other than Service Area No. 2 are likely to require water supplies and wastewater treatment as development of lands within the District proceeds. In addition, US and the District acknowledge that additional lands and territories may be annexed into the District at some future time, and that these annexations may require a water supply and wastewater treatment. US and the District agree to negotiate with each other at such time that such water supplies and wastewater treatment may be required in order to amend this Agreement or execute additional agreements that will provide for such services. Nothing in this section or any part or term hereof shall be construed to create any legally enforceable obligation or otherwise retard or impede the full expression of each party's respective rights and defenses.

10. **Standards for Duties of US.** US shall design, construct, install, or otherwise acquire the Water and Wastewater Treatment Facilities and Systems, and operate, maintain, and repair these facilities, in accordance with standards set forth in this section.

A. **Construction.** US shall design, construct, install, or otherwise acquire the Water and Wastewater Treatment Facilities and Systems in any method or

manner that US may reasonably believe is adequate to create a Water Supply Capacity and a Wastewater Treatment Capacity for Service Area No. 2 as set forth in Section 2 hereof, and applicable requirements in the Facility Plan and federal, state, and local law. Nothing herein shall require US to purchase or acquire facilities or systems, or warranties for any equipment associated with such facilities or systems, at costs in excess of those amounts that US may determine are reasonably adequate for the stated purpose, notwithstanding the fact that other equipment or other facilities and systems may be reasonably expected to reduce increases in the Base Rate arising from Allocated Capital Repairs and Replacements. The District acknowledges that the Allocated Water and Wastewater Treatment Facilities and Systems will be only a part of the otherwise phase the design, construction, and operation of the Water and Wastewater Treatment Facilities and Systems. US may stage or will result in the lowest cost for all such facilities and systems, commensurate with the requirements of the Facility Plan and applicable federal, state, and local law, provided that, subject to the terms of paragraph C hereof, US agrees to use its best efforts to provide the water supply and the wastewater treatment provided for by the terms of this Agreement no later than January 1, 2007. Within one year of the first interconnection of any development within Service Area No. 2, the District shall by written notice to US itemize and otherwise specify each and every failure of US to answer to the requirements of this subparagraph, and upon failure of the District to so notify US, all of the obligations of US to design, construct, install, or otherwise acquire the Wastewater Treatment Facilities and Systems shall be deemed fully discharged.

B. Operations and Maintenance; Capital Repair, Replacement and Improvements. US shall operate and maintain the Water and Wastewater Treatment Facilities and Systems in a manner that supplies Service Area No. 2 with water and wastewater treatment at rates that do not exceed the Water Supply Capacity and the Water Treatment Capacity set forth in Section 2 hereof, and with such quality of water as may be required by any federal, state, or local law, subject to all variances and exceedences authorized or allowed by the terms of such law, and in manner that reasonably reduces the number and length of interruptions in the water supplies and wastewater treatment set forth in this Agreement.. In all events, US shall be deemed to be adequately operating and maintaining the Water and Wastewater Treatment Facilities and Systems where the water supply and wastewater treatment set forth in this Agreement is reasonably adequate within the meaning of MCA 69-3-201.

US may make such repairs, replacements, and improvements to the Water and Wastewater Treatment Facilities and Systems that US may reasonably believe are required to adequately fulfill the water supply and wastewater treatment obligations set forth in this Agreement, or any other agreement it may have with persons or entities not party to this Agreement, or as may be required by public utilities to provide that service set forth in MCA 69-3-201, and applicable requirements in the Facility Plan and federal, state, and local law. or

US may make such repairs, replacements, and improvements that US may reasonably believe will reduce the operation and maintenance costs and expenses associated with the Water and Wastewater Treatment Facilities and Systems in amounts commensurate with the costs of such repairs, replacements, and/or improvements. Within one year of notice of any increase in the Base Rate arising from a Capital Repair or Replacement, the District shall by written notice to US itemize and otherwise specify each and every failure of US to answer to the requirements of this subparagraph, and upon failure of the District to so notify US, all of the obligations of US for such repairs, replacements, and improvements shall be deemed fully discharged.

C. No Liability for Events Not Reasonably in Control of US. US shall have no liability to the District except in those instances in which the asserted damage is caused solely by a substantial breach of the obligations of US as set forth in this section. In no event shall US be liable to the District for interruptions in the water supply and/or wastewater treatment set forth in this Agreement in amounts in excess of those costs the District reasonably incurs to provide temporary water service, so long as US reasonably acts to restore such water service and/or water treatment service. US shall further not be liable to the District in the event that the Water and Wastewater Treatment Facilities and Systems are not constructed or installed by January 1, 2007 in a manner in which the water supply and water treatment set forth in this Agreement are available where the delays are caused by events or circumstances that are not reasonably in control of US. Without limiting those events or circumstances, delays caused by governmental review of permits or authorizations required for such water supply or water treatment shall be deemed to be events or circumstances that are not reasonably in control of US.

11. Breach, Right to Cure, and Remedies. Any failure of the District to make those payments at the times and in the amounts set forth in Section 3 hereof; or, for the first five years after the first interconnection of any lot within Galactic Park and/or Northstar that is within Service Area No. 2, any failure of the District to perform all those obligations set forth in the management agreement provided for in Section 13E hereof; or any failure of US to fulfill those obligations set forth in Section 10 hereof; or any failure of either party to fulfill its representations and warranties as set forth herein, shall be deemed a material breach of this Agreement. In the event of such a breach, the parties shall have the rights to cure and remedies set forth in this Section.

A. Right to Cure. US shall not withhold or reduce the water supply and water treatment set forth in this Agreement prior to according the District a right to cure its breach of this Agreement, unless the District has breached this Agreement on two occasions in any twelve month period or on five occasions in any thirty six month period. In the event of right to cure, US shall notify the District of its breach and the amount due as of the specified payment date, and the District shall have thirty (30) days after said notice to pay the entire amount due, together with interest at the rate of 10% per annum.

The District shall accord US the right to cure any breach of its obligations under this Agreement by providing notice to US of the specific actions or failure to act of US that creates any such breach. US shall have thirty (30) days thereafter to cure any such breach, or in the event that the breach is created by the failure of US to construct or install additional facilities or equipment after the completion of the Water and Wastewater Treatment Facilities and Systems, thirty days in which to commence such construction or installation. "Commencement of construction or installation" for this purpose shall be the retention of engineers to design such additional facilities or equipment or the ordering of such additional facilities or equipment. The election of US to install such additional facility or equipment, or to otherwise cure any asserted breach of its obligations hereunder, shall not be deemed a waiver of its right to seek arbitration of whether the actions or failure to act of US constitute a breach of this Agreement. In the event that an Arbitrator determines that such actions or failure to act do not constitute a breach of this Agreement, the Arbitrator shall include in his decision and award, and the District shall pay to US within thirty (30) days, the full cost of US in curing the asserted breach.

B. Arbitration. Except as set forth in paragraph C hereof, the exclusive remedy of either party hereto shall be arbitration as set forth in this paragraph.

1. Any party may initiate an arbitration upon written notice to the other party and to the Seattle, Washington office of the American Arbitration Association ("AAA") requesting a prompt hearing to be held in Bozeman, Montana.
2. The arbitration shall be conducted before a single arbitrator selected by the consent of the parties or, if the parties cannot agree within thirty (30) business days after the notice initiating the arbitration, the arbitrator shall be appointed by the AAA in accordance with its rules. In either case, the single arbitrator shall have substantial professional experience in the subject matter of the dispute.
3. The parties shall cooperate with the AAA to permit the scheduling of a hearing so as to complete any such arbitration within 180 days of commencement, except if the arbitrator determines for good cause that a longer period is required. The Arbitrator shall allow and provide for discovery in accordance with the Montana Rules of Civil Procedure.
4. No adjournment of any hearing shall exceed thirty (30) business days in length, nor shall there be more than one (1) such adjournment without the written consent of the Parties.

5 The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. 1-16, to the exclusion of any provision of the law of the State of Montana inconsistent therewith, and judgment upon the award rendered by the single arbitrator may be entered by any court having jurisdiction thereof.

6 The arbitrator shall apply the substantive law of the State of Montana exclusive of its conflict of law rules.

7. The award rendered by the single arbitrator shall contain specific findings of fact and conclusions of law on which the award is based and the Parties shall have the right to appeal all issues of law to any court having jurisdiction.

8. The arbitrator is specifically authorized to grant appropriate relief as may be requested, explicitly including specific performance or orders to any party to perform the Agreement, or orders to any party restraining that party from contracting or performing under any other contract for the provision of a water supply and water treatment for Service Area No. 2. The parties explicitly agree that the arbitrator may award specific performance of any kind or character not withstanding the fact that damages may accord complete relief, and the arbitrator may accord specific performance with damages in order to provide a party with complete relief.

9. The prevailing party in any dispute finally resolved by arbitration shall be awarded all its costs, including attorneys' fees, expert fees, other professional fees expenses incurred in the arbitration, and the costs of arbitrators and other charges of the AAA.

C. Limited Judicial Remedies. Notwithstanding the terms of paragraph B hereof, either party may file any action in any appropriate Court within the State of Montana seeking such preliminary relief in the form of a temporary restraining order or preliminary injunction as may be available under MCA 27-19-101 et. seq. For the purposes of this subparagraph, the parties agree that in the event either party terminates this Agreement or otherwise refuses to perform hereunder, damages shall not be considered adequate relief and the Court should enter such injunctive relief as the circumstances require, including but not limited to injunctions that prohibit US from providing the Allocated Water and Wastewater Treatment and Facilities to any other person or entity or that prohibit the District from constructing facilities for or otherwise entering into any other agreement that provides for the provision of a water supply and wastewater treatment to Service Area No. 2. Upon the issuance of such preliminary relief, neither party shall further pursue any additional judicial remedies, and the action shall be stayed pending the arbitrator's award.

12. Indemnification. The District shall indemnify, defend and hold harmless US from and against any and all claims, liabilities, obligations, demands, actions, arbitrations, proceedings, losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that US may incur or become subject to, directly or indirectly, as a result of the performance or non-performance of the duties and obligations assumed by the District under this Agreement. The indemnity, however, shall not extend to claims and liabilities for injury to or death of persons or loss of or damage to property to the extent that those claims and liabilities result from the sole negligence or willful misconduct of US.

Subject to those provisions of Section 10 hereof, US shall indemnify, defend and hold harmless the District from and against any and all claims, liabilities, obligations, demands, actions, arbitrations, proceedings, losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that it may incur or become subject to, directly or indirectly, as a result of the performance of the duties and obligations assumed by US under this Agreement. The indemnity, however, shall not extend to claims and liabilities for injury to or death of persons or loss of or damage to property to the extent that those claims and liabilities result from the negligence or willful misconduct of the District.

13. Conditions Precedent to Obligations of US. Each and all of the events or authorities set forth in this Section is an express condition precedent to each and all of the obligations of US hereunder. US agrees to make good faith efforts to secure such authorities or arrange for such events. In the event that US has been unable to secure such authorities by January 1, 2007, US may elect to treat this Agreement as void and of no further force or effect, or US may waive any such condition precedent set forth in this section.

- A. The confirmation of a Facility Plan by the DEQ for Northstar and Galactic Park, and/or;
- B. The issuance of discharge permits by the DEQ pursuant to MCA 75-5-101 *et. seq.* for the full amount of wastewater authorized or contemplated by the Facility Plan, and/or;
- C. The issuance of water use permits by the Department of Natural Resources and Conservation of the State of Montana for the full amount of the water supply authorized or contemplated by the Facility Plan, and/or;
- D. The confirmation of extensions of time to file applications for final plat approval for Northstar and Galactic Park pursuant to MCA 76-3-610, and the confirmation of final plats for Northstar and Galactic Park in accordance with the terms of the preliminary plats therefor pursuant to MCA 76-3-611, and/or;
- E. The execution of an management agreement by and between a manager and the District providing for the management of the District, and the accounting, collection, and disbursement of revenues from the District, in a form and substance acceptable to US, and/or;

F. The adoption and execution of a resolution by the Board of Directors of the District authorizing and directing the President of the District to execute this Agreement on behalf of the District.

14. Review of Financial Records and Metering Records. The District may, at any time during any year in which the Base Rate and/or Operation Rate is increased in accordance with the terms hereof, inspect or cause to be inspected the Financial Records of US, but not more often than once in any such year. "Financial Records" of US for the purposes of this section shall mean all those records of invoices, charges, billings and other records of cost and expenses of Capital Repairs and Replacements and the operation and maintenance expenses of the Water and Wastewater Treatment Facilities and Systems relating in any way to the increase in the Base Rate and/or Operation Rate, and that were incurred not more than two years prior to the inspection. US shall make such Financial Records available to the District and its accountants at a place designated by US and a time that is mutually convenient to both parties.

The District shall maintain records of the dates upon which the meters for each lot within Galactic Park and Northstar that is within the boundaries of Service Area No. 2, as such lots appear in the Final Plat therefore, are read, and the amounts of determined at each such reading, for a period of at least three (3) years. US may inspect such records, at intervals no more frequent than semi-annually, at a place designated by the District and a time that is mutually convenient to both parties.

15. Option to Purchase. The District shall have the option, at any time after the first five years after the interconnection of the 400th lot within Galactic Park and/or Northstar that is located within Service Area No. 2 with the Water and Wastewater Treatment and Facilities and Systems, but before the expiration or termination of this Agreement, to purchase the Four Corners Allocated Water and Wastewater Facilities and Systems or the Water and Wastewater Facilities and Systems, all according to the terms and conditions of this Section. The election to exercise the option as to one shall cause the option to purchase of the other to expire.

A. Definition of Water and Wastewater Facilities and Systems. For the purposes of this section, Water and Wastewater Facilities and Systems shall mean:

- 1.) all those wells, pumps, storage tanks, treatment plants, pipelines, and wastewater treatment plants that are owned by US and used to provide a water supply and/or wastewater treatment and disposal to lands and/or properties in and about the area of Four Corners, Montana at the time of the notice of election to exercise the option in accordance with this section, together with the water rights used in connection therewith, and the lands upon which such facilities and systems are located, and all easements that are appurtenant to those lands, together with

a.) all expansions, additions, or improvements to such facilities and systems, or any part thereof, according to the design for such expansions, additions, or improvements that exists at the time of the notice of the election of the option, where any cost for such an expansion, improvement, and or addition has been incurred at time of such notice, together with

b.) all Capital Repairs and Replacements that are reasonably required up to the time of the closing of the option, and;

c.) all equipment or other personal property used in connection with facilities and systems described in subparagraph 1 hereof that exists at the date of the notice of election of the option provided for herein, and all other such equipment and personal property acquired in the ordinary course of business until the date of closing, less such equipment or personal property that has been used or otherwise consumed in the ordinary course of business until the date of closing; and less such equipment or personal property that has been destroyed or otherwise damaged beyond repair before closing, but in that event, including any and all insurance proceeds for such damage; and

d.) such discharge permits and other governmental authorities required to operate the facilities and systems described in subparagraph 1 hereof, all other warranties, designs, and other intangible or intellectual property that may exist at the closing.

B. Definition of Four Corners Allocated Water and Wastewater Facilities and Systems. For the purposes of this section, Four Corners Allocated Water and Wastewater Facilities and Systems shall mean so much of the Water and Wastewater Facilities and Systems, as defined in this section, that is required to provide a water supply and sewage and wastewater treatment and disposal to lands and properties within the boundaries of the District under the terms all of the agreements that exist between the District and US at the time of the notice of election to exercise the option set forth herein. "Four Corners Allocated Water and Wastewater Facilities and Systems" shall include the Allocated Water and Wastewater Facilities and Systems. The Four Corners Allocated Water and Wastewater Facilities and Systems shall be comprised of the Four Corners Exclusive Use Element and the Four Corners Common Use Element. The Four Corners Common Use Element shall be comprised of the Four Corners Common Use Water Supply Element and the Four Corners Common Use Wastewater Treatment Element. The Four Corners Exclusive Use Element shall consist of all those pipelines and associated distribution and collection equipment and facilities that are exclusively used for the distribution of water supply to the

District and/or for the collection, treatment, and disposal of sewage and other wastewater from the District under the terms all of the agreements that exist between the District and US at the time of the notice of election to exercise the option set forth herein. The Four Corners Common Use Water Supply Element shall be comprised of a proportionate part of all those lands, easements, pumps, water rights, wells, treatment facilities, pipelines and other distribution facilities that are used or will be used to furnish a water supply to the District under the terms of the agreements that exist between the District and US at the time of the election provided for herein, as well as persons and entities not provided for in any such agreements. For the purposes of determining the proportionate amount included in the Four Corners Common Use Water Supply Element, the capacity of each component of the Four Corners Common Use Water Supply Element shall be compared to the capacity required in that component to meet the water requirements of the District as determined under the then existing agreements between US and the District, and the District shall be entitled to an undivided interest in each such component that is equal to that percentage. In addition, the Four Corners Common Use Water Supply Element shall include that same proportionate amount of each of those property or entitlements set forth in subparagraphs a.), b.), c.), and d.) of Section A hereof, whenever such properties are used or useful, or would be used or useful, for the provision of a water supply to the District, under the terms of the then existing agreements between the District and US. The Four Corners Common Use Wastewater Treatment Element shall be comprised of a proportionate part of all those collection pipelines, pumps, treatment plants, discharge and disposal facilities that are used or will be used under the terms of the agreements that exist between the District and US at the time of the notice of election to exercise the option set forth herein for the collection, treatment and disposal of sewage and other wastewater from the District and for persons or entities not provided for in such agreements. For the purposes of determining the proportionate amount included in the Four Corners Common Use Wastewater Treatment Element, the capacity of each component of the Four Corners Common Use Wastewater Treatment Element shall be compared to the capacity required in that component to meet the obligation of US to the District as set forth in any agreement then existing between US and the District, and the and the District shall be entitled to an undivided interest in each such component that is equal to that percentage. In addition, the Four Corners Common Use Water Treatment Element shall include that same proportionate amount of each of those properties or entitlements set forth in subparagraphs a.), b.), c.), and d.) of Section A hereof, whenever such properties are used or useful, or would be used or useful, for the collection, treatment, or disposal of sewage and other wastewater under the terms of the then existing agreements between US and the District.

For the purposes of this section, the Four Corners Exclusive Use Element shall not be less than the cumulative or aggregate amount of those facilities and systems that are allocated to the District as an exclusive use element under the terms of this Agreement, as modified or amended, at the time of the notice of the election provided for herein. Likewise, the Four Corners Common Water

Supply Element shall not be greater than the cumulative or aggregate percentages allocated the District under the terms of this Agreement, as modified or amended, at the time of the notice of the election provided for herein. and the Four Corners Common Water Treatment Element shall not be greater than the cumulative or aggregate percentages allocated the District under the terms of this Agreement, as modified or amended, at the time of the notice of the election provided for herein

C. Manner of Exercise of Option. At any time after the first five years after the interconnection of the 400th lot within Galactic Park and/or Northstar that is located within Service Area No. 2 with the Water and Wastewater Treatment and Facilities and Systems, but before the expiration or termination of this Agreement, the District may elect to exercise the option set forth in this section by giving notice to US of such election. Said notice must declare whether the option is exercised as to the Water and Wastewater Treatment Facilities and Systems or as to the Four Corners Allocated Water and Wastewater Treatment Facilities and Systems.

D. District's Right to Inspect. From and after the notice of the District's election to exercise the option, the District shall have six (6) months to perform or conduct such reviews, tests, inspections, or evaluations that it may deem appropriate. US shall cooperate with the District in making the Water and Wastewater Treatment Facilities and Systems available to the District and its agents for the purposes set forth in this paragraph. The District shall restore at its cost and expense all parts of the facilities and systems the District has altered or cause to be altered as a result of its review, testing, inspections, or evaluations. If the District elects to abandon its option to purchase as a result of the tests, inspections, or evaluations the District has conducted, the District shall so notify US no later than two weeks after the close of the six month period provided for in this subparagraph. In the event that the District abandons its option as provided for in this paragraph, all the options to purchase set forth in this Agreement shall be deemed of no further force or effect.

E. Purchase Price of Water and Wastewater Treatment Facilities and Systems. The purchase price for the Water and Wastewater Treatment Facilities and Systems shall be equal to:

- 1.) the costs of replacing all those facilities and systems comprising the Water and Wastewater Treatment Facilities and Systems, as they exist as of the time of the notice of the election hereunder and at such costs that exist at the time of said notice, using the same design for each component of those facilities and systems under which they were constructed, less depreciation to those facilities and systems to the time of the District's election of its option hereunder. For the purposes of this subparagraph, "same design" means

the same or substantially equivalent means of securing, treating, and distributing water and or of collecting, treating, and discharging sewage and other wastewater, using components and materials of the same or similar quality as were used in the initial construction and/or installation of any part of these facilities and systems, and methods of installation and construction that are the same or substantially similar to the means that were used in the initial construction and/or installation of any part of these facilities and systems. "Depreciation" means the reduction of the useful life of the facilities or systems, or any component thereof, arising from the use and ordinary wear and tear normally associated with any such facilities or systems and the components thereof. The replacement cost shall be determined by the cost of designing, procuring, acquiring, constructing, building, installing, and testing each and all components of the Water and Wastewater Treatment Facilities and Facilities, together with the cost of acquiring or securing all authorities, permits, and rights required for such construction or installation and/or the operation of such facilities, as if the Water and Wastewater Treatment Facilities and Systems, and each and all of the components thereof, were to be designed, procured, acquired, constructed, built, installed, and tested as of the time of the notice of the election to exercise the option to acquire these facilities and systems. Depreciation of these replacement costs shall never exceed that percentage of the number of years, as determined from the time of the notice of the election hereunder, of the useful life of each component of the Water and Wastewater Treatment Facilities and Systems those costs relate to, where the useful life of each such component is determined according to the maximum number of years each such component may reasonably be expected to last without the need for the complete replacement of that component, as extended by any capital repairs or replacements theretofore made on or in connection with any such component. For example, if a particular segment of pipeline would cost \$200,000.00 to replace, and the existing pipeline would be expected to last 100 years, then and in that event depreciation shall not exceed \$20,000.00 in the event that the notice of election of the exercise of the option occurs ten years after the installation of such pipeline, provided that there have been no capital repairs and replacements that materially extend all or some significant part of that 100 year life: and

- 2.) the actual cost of US for all the Capital Repairs and Replacements installed or constructed after the notice of election provided for herein until the date of closing; and
- 3.) the actual cost of US for all personal property and equipment purchased after the notice of election provided for herein until the date of closing; and
- 4.) the actual cost of US for all expansions, additions, or improvements to such facilities and systems, or any part thereof, where any such cost was incurred after the date of the election provided for herein and before the date of closing;

F. Purchase Price of Four Corners Allocated Water and Wastewater Treatment Facilities and Systems. The purchase price of the Four Corners Allocated Water and Wastewater Treatment Facilities and Systems shall be equal to:

- 1.) the costs of replacing all those facilities and systems comprising the Four Corners Exclusive Use Element, as it exists as of the time of the notice of the election hereunder and at such costs that exist at the time of said notice, using the same design for each component of those facilities and systems under which they were constructed, less depreciation to those facilities and systems to the time of the District's election of its option hereunder. For the purposes of this subparagraph, "same design" means the same or substantially equivalent means of securing, treating, and distributing water and/or of collecting, treating, and discharging sewage and other wastewater, using components and materials of the same or similar quality as were used in the initial construction and/or installation of any part of these facilities and systems, and methods of installation and construction that are the same or substantially similar to the means that were used in the initial construction and/or installation of any part of these facilities and systems "Depreciation" means the reduction of the useful life of the facilities or systems, or any component thereof, arising from the use and ordinary wear and tear normally associated with any such facilities or systems and the components thereof. The replacement cost and the depreciation of the Four Corners Exclusive Use Element shall be determined in a manner that is consistent with the methodology set forth in subparagraph E 1.); and
- 2.) the cost of designing, constructing and otherwise installing facilities and systems of a capacity that is equal to those required to serve the District under the terms of this

Agreement, as modified or amended, other than those facilities and systems set forth in subparagraph 1.) hereof, using the same design for each component of those facilities and systems under which they were constructed, less depreciation to the existing facilities and systems to the time of the District's election of its option hereunder. For the purposes of this subparagraph, "same design" means the same or substantially equivalent means of securing, treating, and distributing water and/or of collecting, treating, and discharging sewage and other wastewater, as modified only by the reduced capacity or size then required to serve the District under the terms of the then existing agreements between the District and US, using components and materials of the same or similar quality as were used in the initial construction and/or installation of any part of these facilities and systems, and methods of installation and construction that are the same or substantially similar to the means that were used in the initial construction and/or installation of any part of these facilities and systems. "Depreciation" means the reduction of the useful life of the facilities or systems, or any component thereof, arising from the use and ordinary wear and tear normally associated with any such facilities or systems and the components thereof. The replacement cost and the depreciation of the facilities and systems set forth in this subparagraph shall be determined in a manner that is consistent with the methodology set forth in subparagraph E 1.), except that depreciation shall be determined on a percentage basis that adjusts the amount of depreciation otherwise available under subparagraph E 1.) to the reduced cost of the same depreciated component arising out the reduced size or capacity of that component; and

- 3.) the highest proportionate amount determined in the Four Corners Common Use Water Supply Element of the actual cost of US for all the personal property purchased and Capital Repairs and Replacements installed or constructed after the notice of election provided for herein until the date of closing to any facility or system used to provide water or a water supply to the District pursuant to the terms of this Agreement, as modified or amended.; and
- 4.) the highest proportionate amount determined in the Four Corners Common Use Water Treatment Element of the actual cost of US for all personal property purchased and Capital Repairs and Replacements installed or constructed after the notice of election provided for herein until the date of closing to any facility or system used to provide wastewater collection, treatment, or disposal to the District

pursuant to the terms of this Agreement, as modified or amended; and

- 5.) the actual cost of US for all the Capital Repairs and Replacements installed or constructed after the notice of election provided for herein until the date of closing to any of the Exclusive Use Element.

G. Time for Determining Purchase Price. The purchase price, and in the event that the District elects to purchase the Four Corners Allocated Water and Wastewater Treatment Facilities and Systems, the inventory of the elements comprising the Four Corners Exclusive Use Element, the inventory of the elements comprising the Four Corners Common Water Supply Element, and the inventory of the elements comprising the Four Corners Common Wastewater Treatment Element, shall be agreed to by US and the District by the expiration of the District's right to inspect pursuant to paragraph D hereof. If the parties are unable to agree, they shall arbitrate any unresolved issues in accordance with Section 11B hereof. In no event shall the purchase price as set forth herein be reduced for any functional obsolescence of all or any part of the Water and Wastewater Treatment Facilities and Systems.

H. Time of Closing. The time of closing shall be six months after the expiration of the District's right to inspect pursuant to paragraph D hereof. In the event that the purchase price and the inventory of the Four Corners Allocated Water and Wastewater Treatment Facilities and Systems has not been completed by such time as contemplated in paragraph G hereof, the closing date shall be extended six months after the determinations thereof or six months after the arbitrator's award making such determinations, provided that such arbitration is sought within one month after the expirations of the District's right to inspect. In the event that such purchase price and inventory have not been agreed to by such date and arbitration is not invoked within such additional one month period, or arbitration proceedings do not culminate in an arbitrator's award or other final determination, then and in those events the options hereunder shall expire and be of no further force and effect. The District shall pay the entire purchase price in cash.

I Manner of Conveyance. US shall convey the Water and Wastewater Treatment Facilities and Systems or the Four Corners Allocated Water and Wastewater Treatment Facilities and Systems, as the case may be, by quitclaim deed or other appropriate bill of sale without warranty of any kind or character, subject to all claims, encumbrances, and liens, other than mortgages or liens created or suffered to be created by US. The District acknowledges that said conveyance will be made without warranty or representation of US of any kind or character associated with any facility, system, or right or obligation secured by the District under this Section or any document prepared or executed hereunder. In the case of any transfer of the Four Corners Common Water Supply Element and the Four Corners Common Water Treatment Element, the

District shall be conveyed any undivided interest in or to such systems and facilities, the size of which undivided interest shall be as determined in this Section. All such conveyances of the Four Corners Common Water Supply Element and the Four Corners Common Water Treatment Element shall be subject to that certain Co-Ownership Agreement set forth as Exhibit H hereto.

J. Assignment of Agreements. At closing, US shall assign, and the District shall assume, all the rights and obligations of US under and through any of the then existing agreements US may have with parties or entities not party to this Agreement, in the event that the District elects to exercise its option as to the Water and Wastewater Treatment Facilities and Systems Without in any way limiting the foregoing sentence, the existing agreements shall include all those agreements, implied in law or as expressly set forth in any contract, between US and any person or entity other than the District for the provision of a water or a water supply, or the provision of sewage and other wastewater collection, treatment, and discharge, for or to property outside the boundaries of the District. In that event, the District shall assume at closing all the responsibilities and duties of US to such persons or entities that US may otherwise have pursuant to MCA 09-3-101 et seq.

K. Indemnification. The District shall indemnify, defend and hold harmless US from and against any and all claims, liabilities, obligations, demands, actions, arbitrations, proceedings, losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that US may incur or become subject to, directly or indirectly, as a result of the failure of the District to timely perform under any agreements or otherwise fulfill any of the responsibilities or obligations assigned to the District or assumed by the District in accordance with paragraph J hereof. US shall indemnify, defend and hold harmless the District from and against any and all claims, liabilities, obligations, demands, actions, arbitrations, proceedings, losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that the District may incur or become subject to, directly or indirectly, as a result of the filing of any construction liens upon any part of the premises conveyed hereunder, where the basis of such lien is a claim for amounts due prior to the closing as set forth herein. Nothing herein shall require US to satisfy said lien or otherwise remove said lien so long as US is in good faith litigating the validity of such lien or its amounts.

L. No Remission of Amount Due. From and after the notice of election of the exercise of the option as set forth in this section, the District shall continue to pay the Base Rate and Operations Rate as set forth in this Agreement until closing, and the last payment of the Base Rate and Operations Rate shall be prorated to the closing date. The term of this Agreement shall be extended insofar as such an extension is required to close on any option the notice of election for which is given by the District prior to the expiration of the term of this Agreement as set forth in Section 8 hereof.

16. No Waiver of Right to Assess Other Charges. Nothing in this Agreement or any part thereof shall waive or otherwise affect any right of US to assess, charge, or collect hook-up, interconnection fees, or other capital contributions from and under any agreement US may have with persons or entities not party to this Agreement.

17. Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (1) hand-delivery, or (2) one business day after being deposited prepaid with Federal Express, United States Postal Service, Express Mail, UPS, or any other reliable overnight courier service or transmitted by facsimile telecopy with confirmation of receipt, and addressed as follows:

If to US

Utility Solutions, LLC
Attn: Barbara Campbell
224 Zoot Way
Bozeman, Montana 59718

With a copy to:

John M Kauffman, Esq.
Kasting, Kauffman & Mersen, P.C
716 S. 20th Ave., Suite 101
Bozeman, Montana 58718

If to the District

Four Corners County Water and Sewer District
35 North Bozeman Ave.
Bozeman, Montana 59715

with a copy to:

John C. Brown, Esq.
Cok, Wheat, Brown & McGarry, PLLC
35 North Bozeman Ave.
Bozeman, Montana 59715

Either party may change its address by giving notice to the other in the manner provided for in this section.

18. Representations and Warranties by US. US represents and warrants:

A. **Existence; Authority** US is duly organized, qualified and in good standing, and has the requisite power and authority to enter into this Agreement and the same is to be a valid and binding obligation of US and is enforceable in accordance with its terms.

B. **Construction of System** US will design, construct, install, or otherwise acquire the Water and Wastewater Treatment Facilities and Systems with a Water Supply Capacity and Wastewater Treatment Capacity as set forth herein, in accordance with the duties of US as set forth in Section 10 hereof.

C. **Operation of System.** US will operate and maintain the Water and Wastewater Treatment Facilities and Systems so as to provide the Water Supply Capacity and Wastewater Treatment Capacity as set forth herein, in accordance with the duties of US as set forth in Section 10 hereof.

19. Representations and Warranties of the District. The District represents and warrants:

A. **Existence; Authority.** The District is duly organized, qualified and in good standing, and has the requisite power and authority to enter into this Agreement and the same is a valid and binding obligation of the District and is enforceable in accordance with its terms.

B. **Ordinances.** The District has enacted that ordinance set forth as Exhibit G hereto, and said ordinance is enforceable in accordance with its terms. The District will enforce the ordinance throughout the term of this Agreement.

C. **Exercise of Authorities to Assess and Collect Revenue.** The District shall use its powers under MCA 7-13-2201 *et. seq* to assess, tax, and otherwise collect revenues for the landowners and property within its territorial boundaries that are sufficient to pay the Base Rate and Operations Rate, and all increases to the Base Rate and Operations Rate, in the amounts and at the times that said amounts are due in accordance with the terms of this Agreement.

D. **Meters.** The District shall require that metering equipment provided for in Section 3C hereof to be installed at the time of the commencement of water deliveries to each and every lot with Service Area No. 2, and the District shall thereafter maintain those meters in good working order. The District shall further read each such meter on a monthly basis, and shall maintain records of those readings for at least three (3) years

20. Choice of Law. This Agreement is made in, and shall be construed in accordance with, the laws of the State of Montana

21. Modifications and Waivers. This Agreement may only be modified in a writing signed by each of the parties. Except as expressly set forth in Section 10 hereof, no covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of any

covenant, term, or condition shall not be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by one party of any performance by the other after the time the same shall have become due shall not constitute a waiver by the former of the breach or default of any covenant, term or condition unless otherwise expressly agreed by the non-breaching party in writing.

22. Assignment and Successors and Assigns. This Agreement may be assigned and shall be binding upon the successors and assigns of US (merged, acquired or otherwise) This Agreement shall not be assigned by the District.

23. Relationship of Parties. This Agreement shall not be construed to create, either expressly or by implication, the relationship of agency or partnership between the parties. No party (including the party's agent, employees or contractors) is authorized to act on behalf of another party in any manner relating to the subject matter of this Agreement. No party shall be liable for the acts, errors or omissions of the officers, agents, employees or contractors of the other party entered into, committed or performed with respect to or in performance of this Agreement.

24. No Third Party Beneficiary. Each of the provisions of this Agreement is for the sole and exclusive benefit of the parties and none of the provisions of this Agreement shall be deemed to be for the benefit of any other person or entity. Without limiting this section, no landowner or other property owner within the jurisdictional boundaries of the District shall be a third beneficiary of this Agreement.

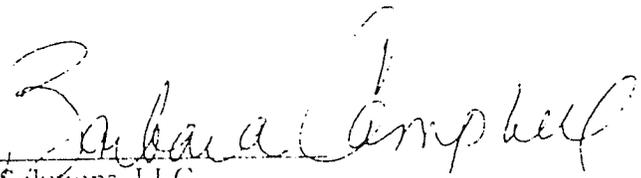
25. Captions. The titles or captions of the provisions of this Agreement are merely for convenience or reference and are not representations of matters included or excluded from such provisions.

26. Entire Agreement. This Agreement and all exhibits hereto shall constitute the entire agreement and understanding between and among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties expressly acknowledge and agree that, with regard to the subject matter of this Agreement and the transactions contemplated herein, (a) there are no oral agreements between the parties and (b) this Agreement, including the exhibits attached hereto, (i) embodies the final and complete agreement between the parties, (ii) supersedes all prior and contemporaneous negotiations, offers, proposals, agreements, commitments, promises, acts, conduct, course of dealing, representations, statements, assurances and understandings, whether oral or written, and (iii) may not be varied or contradicted by evidence of any such prior or contemporaneous matter or by evidence of any subsequent oral agreement of the parties.

27. No Construction Against Drafter. This Agreement and each of the parts hereof shall not be construed against the party drafting the Agreement or that part, and in every event, this Agreement and all of its parts shall be construed as if both parties drafted all its provisions

28. Construction as Lease In the event and to the extent necessary to give effect to each and all of the provisions hereof this Agreement shall be interpreted as lease of the Allocated Water and Wastewater Treatment and Facilities, as these facilities and systems shall exist from time to time through the term of this Agreement, and the Base Rate and Operations Rate as the rent for such leased premises

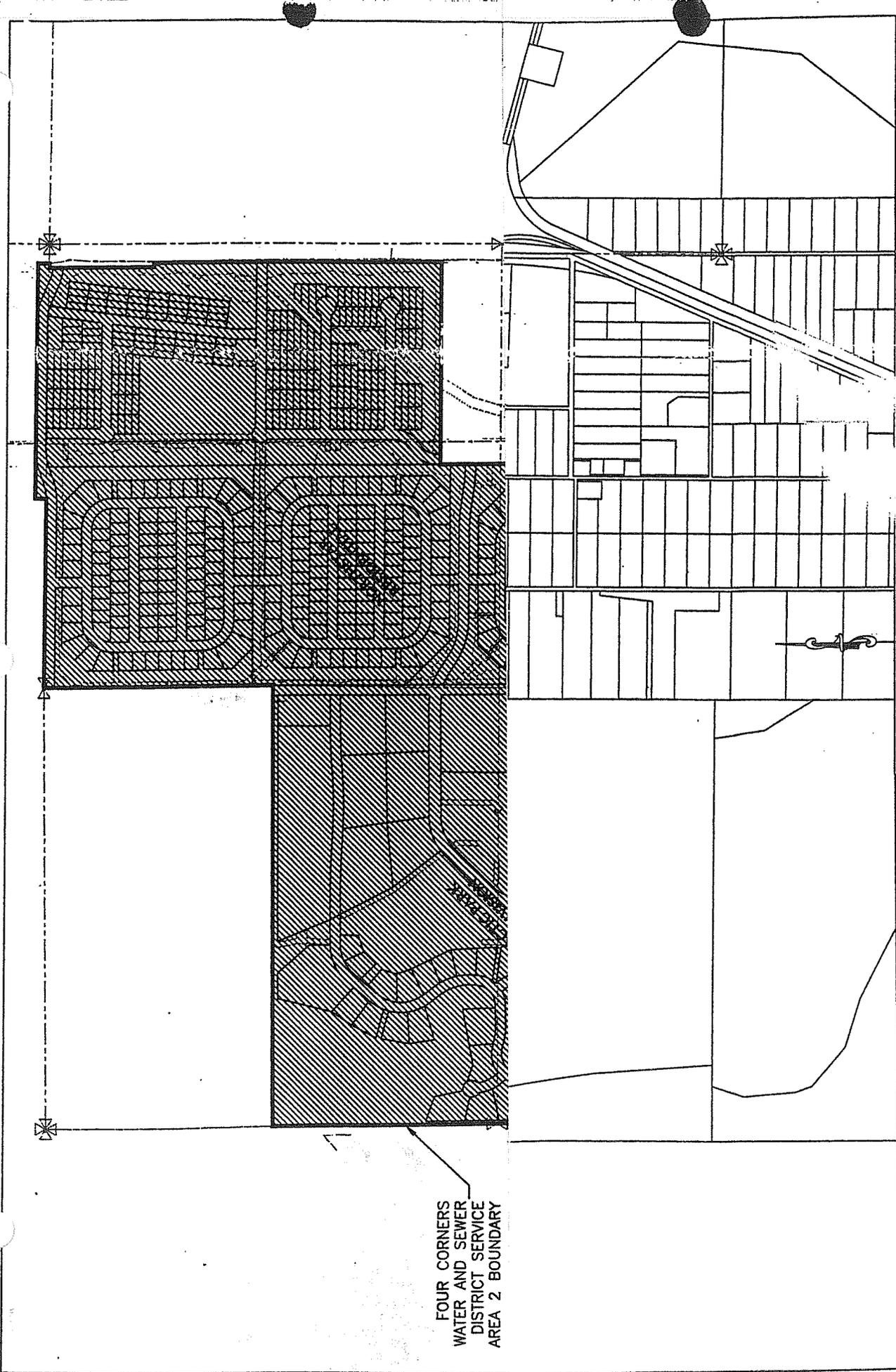
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written



Utility Solutions, LLC
By Barbara Campbell, Is Manager

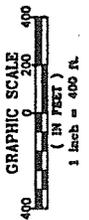


Four Corners County Water and Sewer District
By Its President, John Hulme



FOUR CORNERS
WATER AND SEWER
DISTRICT SERVICE
AREA 2 BOUNDARY

FOUR CORNERS WATER AND SEWER
DISTRICT SERVICE AREA 2;
NORTHSTAR SUBDIVISION
GALACTIC PARK SUBDIVISION
NEW WEST PARTNERS



MOULTRON
IMAGING Inc.
An Equal Opportunity Employer
10000 W. 10th Ave. Suite 100
Denver, CO 80202
TEL: 303-751-1000 FAX: 303-751-1010

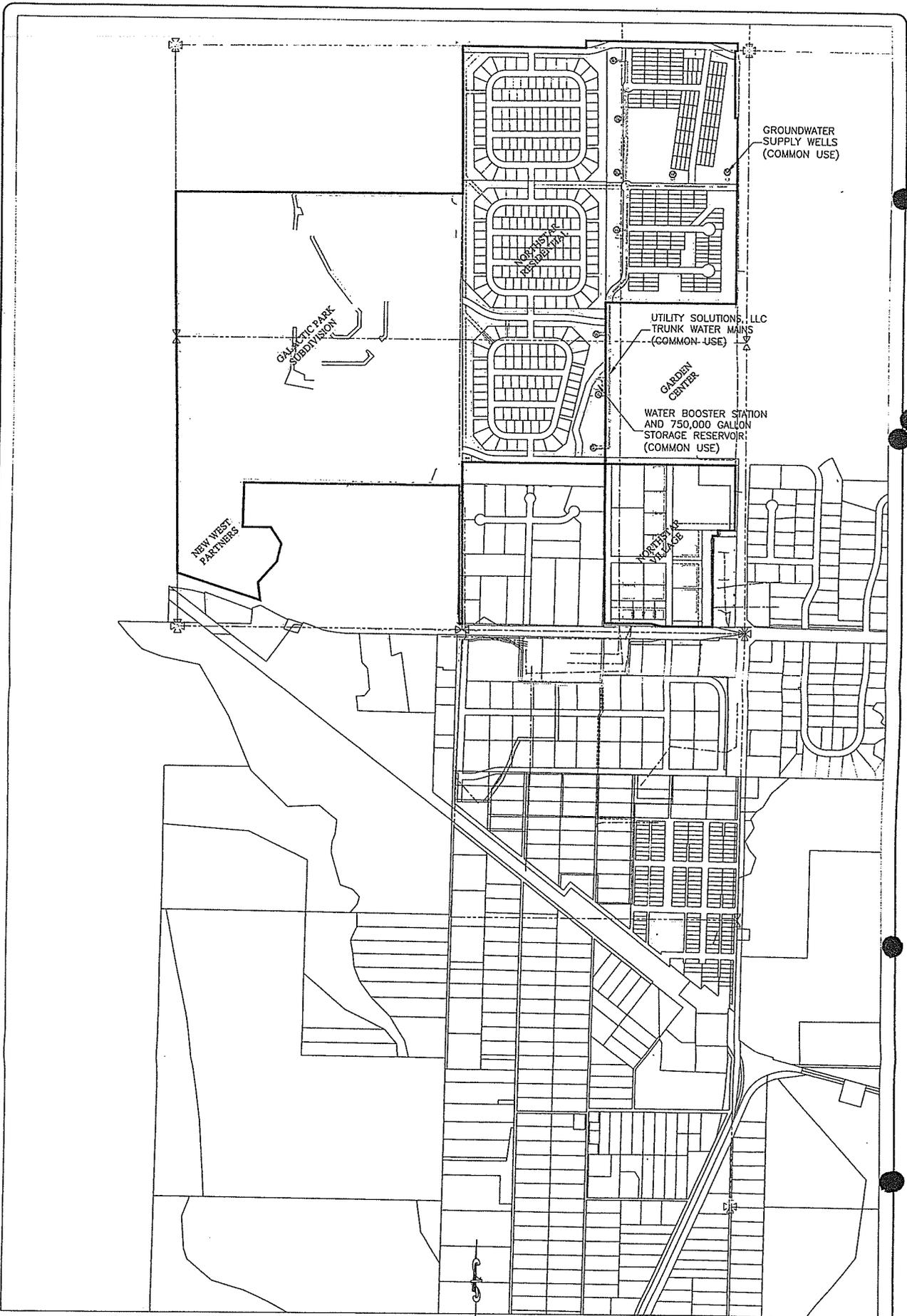
UTILITY SOLUTIONS

DATE: 06/23/04
SCALE: 1"=400'
DRAWN BY: ELB
CHECKED BY: JSC

PROJECT: 03-709-001-020

WSD
SERVICE AREA 2
"EXHIBIT B"

PLOTTED DATE: Jun/24/2004 - 10:41:07 am
DRAWING NAME: H:\33\010101-010-01\AC04\EXHIBIT B.dwg
SHEET 1 OF 1 PLOTTED BY: [unreadable]



GRAPHIC SCALE
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 1 inch = 400 ft.

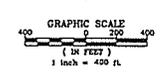
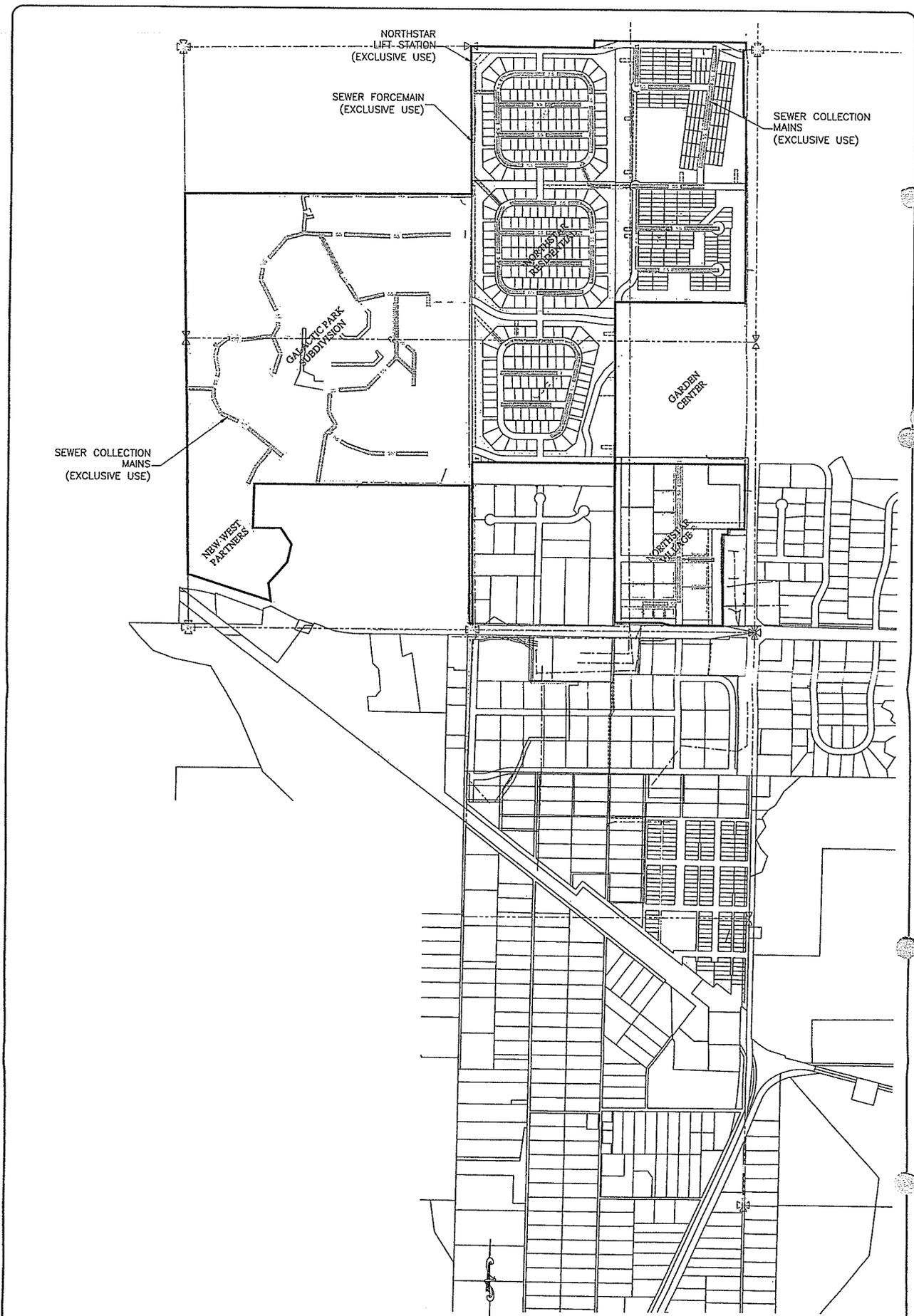
MORRISON MAIERLE INC.
 An Equal Opportunity Employer
 2000 N. 10th Street, Suite 100, Phoenix, AZ 85016-1000
 TEL: 602.944.1100 FAX: 602.944.1101
 CLIENT: UTILITY SOLUTIONS, LLC

FIELD WORK: DATE: 06/23/04
 DRAWN BY: ELB SCALE: 1"=400'
 CHECKED BY: MEG PROJ #: 3209.001.02D

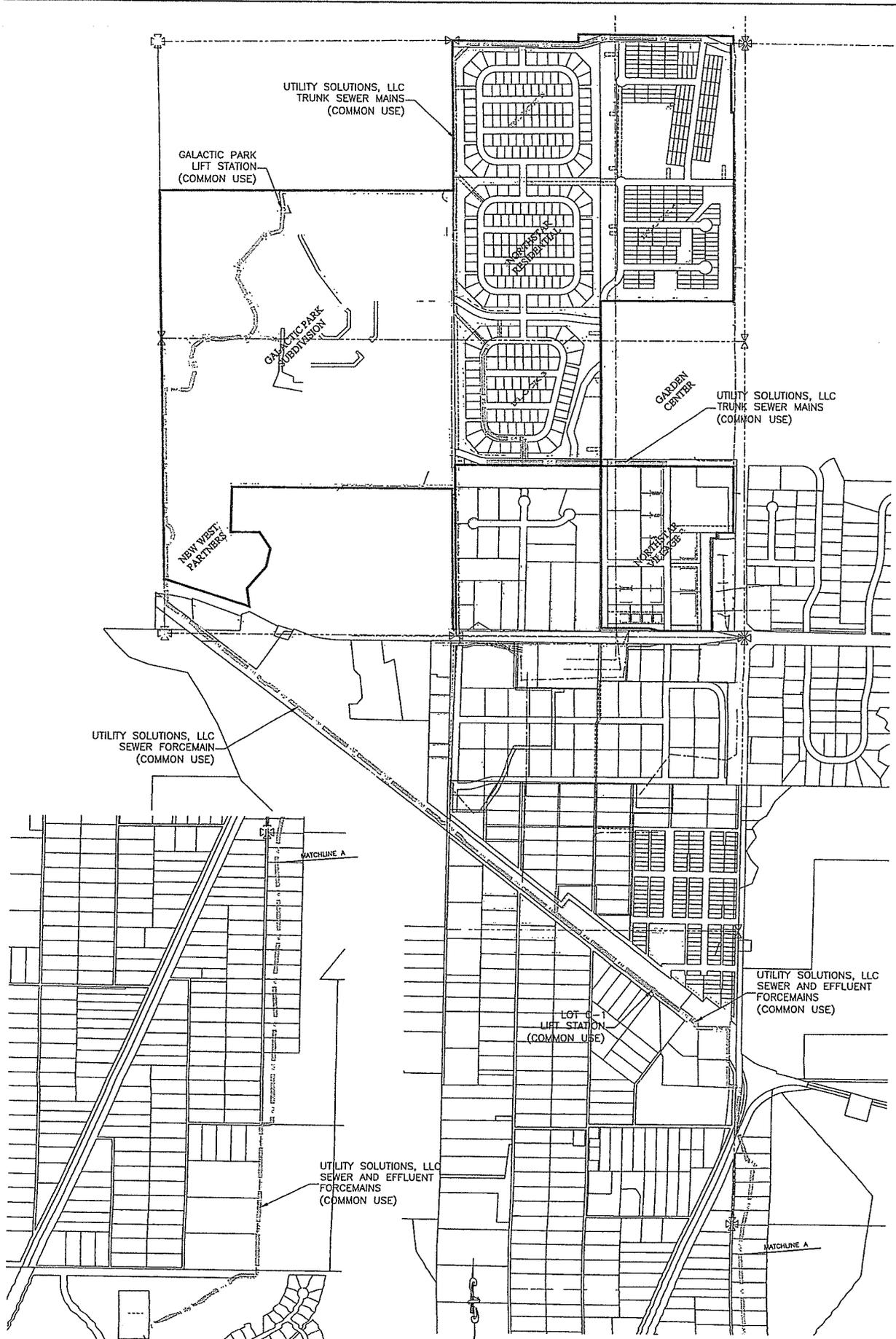
DESIGN: []
 ENGINEER: []
 SURVEYOR: []
 PLUMBER: []
 ELEC. []

WSD WATER COMMON USE "EXHIBIT D"

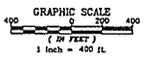
PLOTTED DATE: Jun/24/2004 - 10:44:53 am
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 SHEET 1 OF 3



		SHEET NO. _____ TOTAL SHEETS _____ DATE: 06/23/04 SCALE: 1"=400' PROJ. # 3209.001.020	WSD SEWER EXCLUSIVE USE "EXHIBIT F" PLOTTED DATE: Jun/24/2004 - 10:58:24 am DRAWING NAME: H:\333\018-ws\ACAD\EXHIBIT F.dwg SHEET 1 OF 1
CLIENT: UTILITY SOLUTIONS, LLC			PLOTTED BY: _____
FIELD WORK: _____ DRAWN BY: FLB CHECKED BY: MEC	DATE: 06/23/04 SCALE: 1"=400' PROJ. # 3209.001.020	SHEET NO. _____ TOTAL SHEETS _____	PLOTTED DATE: Jun/24/2004 - 10:58:24 am DRAWING NAME: H:\333\018-ws\ACAD\EXHIBIT F.dwg SHEET 1 OF 1



UTILITY SOLUTIONS, LLC
WASTEWATER TREATMENT
FACILITY (COMMON USE)



<p>MORRISON MAIERLE INC. An Engineering Firm CLIENT: UTILITY SOLUTIONS, LLC</p>		<p>UTILITY SOLUTIONS, LLC WSD SEWER COMMON USE "EXHIBIT E"</p>
<p>FIELD WORK: _____ DATE: 06/23/04 DRAWN BY: D.B. SCALE: 1"=400' CHECKED BY: MEG PROJ #: 3709.001.020</p>	<p>PLOTTED DATE: Jun/24/2004 - 10:46:22 am DRAWING NAME: W13381016-mpj\cadd\exhibits\WSD Sewer SHEET: 1 OF 1</p>	

RULES AND REGULATIONS
GOVERNING
WATER AND WASTEWATER SERVICE
FOR THE
FOUR CORNERS COUNTY WATER
AND SEWER DISTRICT

for the
CONTRACT WITH
UTILITY SOLUTIONS, LLC

Service Area I

DECEMBER 2004

ORDINANCE NO.

BE IT RESOLVED by the Board of Directors of the Four Corners County Water and Sewer District , that said Board desires to hereby adopt these "Rules and Regulations Governing Water and Wastewater Service for the Four Corners County Water and Sewer District", including implemented rates, charges, and fees, a copy of which is appended hereto, as of the following date; and

BE IT FURTHER RESOLVED by the Board of Directors of the Four Corners County Water and Sewer District, that these "Rules and Regulations Governing Water and Wastewater Service for the Four Corners County Water and Sewer District" shall replace any previous ordinances.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District, this _____ day of _____, 20_____.

District President

ATTEST:

District Secretary

RULES AND REGULATIONS

CHAPTER 1 - DEFINITIONS

- 1-2 Definitions
- 1-2 Abbreviations

CHAPTER 2 - GENERAL

- 2-1 Authority
- 2-2 Intent and Purpose
- 2-3 Jurisdiction
- 2-4 Application
- 2-5 Noncompliance
- 2-6 Review of Administrative Actions
- 2-7 Owner's Duty to Use District Water/Wastewater Facilities
- 2-8 Access to Customer's Premise
- 2-9 Permit Required for Connection, Extension, or Use
- 2-10 Unauthorized Acts
- 2-11 Miscellaneous Devices
- 2-12 Condition of Service
- 2-13 Interruptions of Service
- 2-14 Liability of Utility

CHAPTER 3 - INITIATION AND DISCONTINUANCE OF SERVICE

- 3-1 Service Applications Required
- 3-2 Service Application Provisions
- 3-3 Service Applicants
- 3-4 Information to be Provided
- 3-5 Service Application Pre-Requisites
- 3-6 Transfer of Service Account
- 3-7 Discontinuance of Service by Customer
- 3-8 Discontinuance of Service by District

CHAPTER 4 - TURN ON AND TURN OFF OF SERVICE

- 4-1 General
- 4-2 Operation of Curb Valves
- 4-3 Inspection of Meters and Appurtenances Required
- 4-4 Turn-off for Nonpayment and/or Noncompliance
- 4-5 Turn-on and Turn-off Liability Disclaimer
- 4-6 Landlord Agreement

CHAPTER 5 - DEPOSITS

- 5-1 When Required and Amount of Deposit
- 5-2 Application of Deposits

- 5-3 Transfer of Deposits
- 5-4 Failure to Make Deposits
- 5-5 Refund of Deposits
- 5-6 Record of Deposits
- 5-7 Receipt of Deposits

CHAPTER 6 - TEMPORARY AND CONSTRUCTION SERVICE

- 6-1 Temporary Water and/or wastewater service
- 6-2 Construction Water Permit Required
- 6-3 Service for Building Construction
- 6-4 Fire Suppression Service

CHAPTER 7 - BILLING

- 7-1 Billing Period
- 7-2 Bills Due
- 7-3 Information on Bills
- 7-4 Refusal of Service
- 7-5 Multiple Owners
- 7-6 Payment Transfers
- 7-7 Bill Payment Stub
- 7-8 Estimates
- 7-9 Adjustment of Wastewater Bills

CHAPTER 8 - RATES, CHARGES, AND FEES-GENERAL

- 8-1 General
- 8-2 Monthly Metered Water Charges
- 8-3 Minimum Monthly Water Charges
- 8-4 Monthly Volume Wastewater Charges
- 8-5 Minimum Monthly Wastewater Charges
- 8-6 Charge for Reestablishment of Water and/or wastewater service
- 8-7 Wastewater Extra Strength Surcharges
- 8-8 Connection Charges (Impact Fee) for Water and/or wastewater service
- 8-9 Miscellaneous Water/Wastewater Fees and Charges
- 8-10 Charges for Miscellaneous Work/Service
- 8-11 Late Payment Interest Charge

CHAPTER 9 - CURRENT RATES, CHARGES, AND FEES

CHAPTER 10 - METERING

- 10-1 General
- 10-2 District's Responsibility
- 10-3 Customer's Responsibility
- 10-4 Inside Metering Facilities

- 10-5 Outside Metering Facilities
- 10-6 Use of Inside/Outside Metering Facilities
- 10-7 Permanent and Temporary Meter Installations
- 10-8 Sub Meters
- 10-9 Standard Meter and Service Line Sizes
- 10-10 Service Line Diameter-Inches Minimum Size of Meter-Inches
- 10-11 Single Meter Per Service Line
- 10-12 Interconnected Water Service Lines
- 10-13 Special Meter Accuracy Tests
- 10-14 Replacement of Meters
- 10-15 Standard of Meter Accuracy
- 10-16 Non-Registering Meter
- 10-17 Testing and Repairing Meters
- 10-18 Damaged Meters and Equipment
- 10-19 Prohibited Taps/Connections
- 10-20 Meter Tampering/Bypassing
- 10-21 Relocation of Meters
- 10-22 Maintenance of Outside Meter Boxes/Vaults
- 10-23 Fire Hydrant Meters
- 10-24 Secondary Wastewater Meters
- 10-25 Sprinkling Meters

CHAPTER 11 - USE OF WATER SERVICE

- 11-1 Waste of Water
- 11-2 Cross Connections
- 11-3 Resale of Water
- 11-4 Water Use Restrictions
- 11-5 Unlawful Sprinkling of Lawns and Gardens

CHAPTER 12 - USE OF WASTEWATER SERVICE

- 12-1 Discharging Certain Matter Into Sewers Prohibited
- 12-2 Grease, Oil and Sand Interceptors
- 12-3 Maintenance of Interceptors
- 12-4 Approval Required for Discharge of Certain Waters and Wastes
- 12-5 Preliminary Treatment Facilities
- 12-6 Maintenance of Preliminary Treatment Facilities
- 12-7 Control Manholes and Test Locations
- 12-8 Wastewater Testing and Analyses

CHAPTER 13 - PRETREATMENT OF INDUSTRIAL WASTES

- 13-1 Methodology
- 13-2 Actions of Director
- 13-3 Preemption by National Categorical Pretreatment Standards
- 13-4 Modification of National Categorical Pretreatment Standards
- 13-5 State Requirements

- 13-6 Industrial Discharge Permits
- 13-7 Reporting Requirements
- 13-8 Availability of Records
- 13-9 Notification of Violation

CHAPTER 14 - WATER AND/OR WASTEWATER SERVICE AREAS

- 14-1 Permit Required
- 14-2 Applications And Fees
- 14-3 Applications And Fees
- 14-4 Connection, Construction, And Development Charges
- 14-5 Guarantee
- 14-6 Installation, Ownership, And Maintenance
- 14-7 Underground District Information
- 14-8 Excavations
- 14-9 Traffic Control And Construction Signing
- 14-10 Arrangement And Location
- 14-11 Multiple Building Service Agreements
- 14-12 Minimum Diameter Of Water Service Lines
- 14-13 Size And Slope Of Sewer Services
- 14-14 Depth Of Water Lines
- 14-15 Depth Of Sewer Services
- 14-16 Materials And Methods Of Construction
- 14-17 Curb Valve
- 14-18 Point Of Connection To Water System
- 14-19 Point Of Connection To Wastewater System
- 14-20 Inspection And Tapping Notification
- 14-21 Damage To Water System And/Or Wastewater System
- 14-22 Keeping Sewers Clean
- 14-23 Protective Devices For Water System
- 14-24 Firelines
- 14-25 Inadmissible Wastes

CHAPTER 15 - FIRE HYDRANTS

- 15-1 Public Fire Hydrants
- 15-2 Operation of Public Fire Hydrants
- 15-3 Relocation of Public Fire Hydrants
- 15-4 Obstructing Public Fire Hydrants
- 15-5 Damages to Public Fire Hydrants
- 15-6 Painting of Public Fire Hydrants
- 15-7 Private Fire Hydrants

CHAPTER 16 - REFERENCES

CHAPTER 1 - DEFINITIONS

1-1 DEFINITIONS

Unless the context specifically indicates otherwise, the meanings of the terms used in these rules and regulations shall be as follows:

- (1) "Approval Authority" means the regional administrator of the EPA.
- (2) "Appurtenances" refer to machinery, appliances, or auxiliary structures attached to the sewer to enable it to function, but not considered an integral part of it.
- (3) "Board of Directors" means the Board of Directors of the Four Corners County Water and Sewer District.
- (4) "Biochemical Oxygen Demand" (BOD) means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in 5 days at 20 degrees Centigrade, expressed in terms of weight and concentration (milligrams per liter).
- (5) "Building Drain" means that part of the lowest horizontal piping of a drainage system which receives the discharge from waste and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning five feet outside the inner face of the building wall.
- (6) "Building Sewer" means the privately-owned extension of the building drain to the Wastewater System or other place of disposal.
- (7) "Bypassing" means any act, using any means, the purpose of which is to obtain District water and/or wastewater service without having such service pass through the meter that is provided for measuring or registering such service.
- (8) "Combined Sewer" shall mean a sewer receiving both surface runoff and sewage.
- (9) "Commercial Account" means a District water/wastewater account other than a domestic account.
- (10) "Cooling Water" means the water discharged from any use such as air conditioning, cooling, refrigeration, or to which the only pollutant added is heat.
- (11) "County" or "Gallatin County" means the County of Gallatin in the State of Montana.
- (12) "County Clerk and Recorder" means the County Clerk and Recorder of Gallatin County.
- (13) "County Commissioners" means the County Commissioners of Gallatin County.
- (14) "Customer" means any person receiving District water and/or wastewater service either directly or indirectly from the District water supply system/Wastewater System.
- (15) "Discharge" is the direct or indirect introduction of treated or untreated wastewater into the waters of the State of Montana, or where applicable into the Wastewater System.
- (16) "District" or "Four Corners County Water and Sewer District" means the Four Corners County Water and Sewer District in the County of Gallatin and State of Montana.
- (17) "District Attorney" means the Attorney for the Four Corners County Water and Sewer District.
- (18) "District Secretary" means the District Secretary of the Four Corners County Water and Sewer District.

- (19) "District Water Meter" means the meter, including the meter horn and remote read equipment, which is owned by the utility and which is used to measure the amount of water delivered by the utility to a customer through the customer's water service line.
- (20) "Domestic Account" means a District water/wastewater account for a single family residence.
- (21) "Domestic Wastes" means liquid wastes (a) from the non-commercial preparation, cooking, and handling of food or (b) containing human excrement and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities, and institutions.
- (22) "Environmental Protection Agency", or "EPA", means the U.S. Environmental Protection Agency, or, where appropriate, the terms may also be used as a designation for the administrator or other duly authorized official of EPA.
- (23) "Fire Hydrant Meter" means the meter which is owned by the District water/wastewater utility and which is used to measure the amount of water delivered to a customer through a fire hydrant.
- (24) "Fireline" means all service pipes, curb stops and/or valves, curb boxes and/or valve boxes, backflow prevention devices, check valves, inside piping, fittings, fixtures, and any other apparatus on customers' side of the point of delivery that is used for, and limited to, the providing of water to customers for fire suppression activities.
- (25) "Harmful Contribution" means an actual or threatened discharge or introduction of wastes to the Wastewater System which (a) presents or may present an imminent or substantial endangerment to the health and welfare of persons or to the environment, (b) inhibits or interferes with the physical or lawful operations of the Wastewater System, or (c) causes the violation of any condition of the MPDES permit issued for the Wastewater System.
- (26) "Industrial" means of or pertaining to industry, manufacturing, agriculture, commerce, trade, or business.
- (27) "Industrial User" means (a) any person or source that introduces or discharges wastewater from industrial processes into the Wastewater System or (b) any non-domestic user or source regulated under Sections 307 (b), (c), or (d) of the Clean Water Act.
- (28) "Interceptors" are defined as equipment used as preliminary treatment devices for physical removal of undesirable substances prior to discharging into the sewage system.
- (29) "Interference" means the inhibition or disruption of the wastewater system processes or operations which causes (a) a violation of any requirement of any Ground Water Monitoring Agreement and/or (b) the violation of any requirement of any agency with jurisdiction over the discharges by the Wastewater System into the receiving waters. The term also includes contamination of the treatment plant sludge byproducts.
- (30) "Main" means the instrument, including any auxiliary equipment, which is used to measure the amount of water delivered to a customer from the Water System or the amount of wastewater contributed to the Wastewater System by a user.
- (31) "Meter" means the instrument, including any auxiliary equipment, which is used to measure the amount of water delivered to a customer from the Water System or the amount of wastewater contributed to the Wastewater System by a user.
- (32) "National Categorical Pretreatment Standards" or "Pretreatment Standard" means any regulation containing pollutant discharge limits promulgated by the State of Montana

- or the EPA in accordance with Section 307(b) and (c) of the Clean Water Act (33 U.S.C. Section 1317) that applies to a specific category of Primary Industrial Users.
- (33) "Organic Matter" refers to chemical substances of basically carbon structure. Comprising compounds consist primarily of hydrocarbons and their derivatives.
- (34) "Person" means any firm, company, partnership, public or private corporation, association, group or society, governmental agency, or other entity as well as a natural person.
- (35) "pH" refers to the negative logarithm of the hydrogen ion concentration in moles per liter of solution. pH is an indicator of the acid or base content of the solution.
- (36) "Point of Connection" means the point at which the Wastewater System connects physically to a user's building sewer. The point of connection shall be located at and include the user's service tee or wye fitting, which, in turn, is normally attached to the sanitary sewer located in the public right-of-way that abuts and fronts the property to be served.
- (37) "Point of Delivery" means the point at which the Water System connects physically to a customer's water service line. The point of delivery shall be located at and shall include the customer's corporation stop, which, in turn, is normally attached to the water main located in the public right-of-way that abuts and fronts the property to be served.
- (38) "Pollutant" means any dredged soil, solid waste, incinerator residue, sewage, garbage, septic waste, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, District, and agricultural waste discharged into water.
- (39) "Pollution" means the alteration of the chemical, physical, biological, or radiological integrity of water by human activity.
- (40) "Polluted Waters" means water that contains objectionable wastes or suspended solids as a result of human activity.
- (41) "Pretreatment" or "Treatment" means the reduction of the amount of pollutants, the elimination of pollutants, the alteration of the rate of their introduction into the Wastewater System, or the alteration of the nature of pollutant properties in wastewater to a less harmful state, prior to or in lieu of discharging or otherwise introduction of such pollutants into the Wastewater System. The reduction or alteration can be achieved by physical, chemical, or biological processes, process changes, or by other means, except as prohibited by 40 CFR Section 403.6(d).
- (42) "Pretreatment Requirement" means any substantive or procedural requirement related to pretreatment, including National Categorical Pretreatment Standards, imposed on an industrial user.
- (43) "Public Building" means any building held, used, or controlled exclusively for public purposes by any department or branch of government, federal, state, county, or District, without reference to the ownership of the building or of the realty upon which it is situated.
- (44) "Rate Schedule" means a resolution approved by the Board of Directors which sets forth the charges and conditions for a particular class or type of utility service.
- (45) "Rules and Regulations" means these rules, as amended, modified, or added to from time to time, and all requirements, standards, or other obligations of the District by and under its contract with Utility Solutions, LLC.
- (46) "Readily Accessible" means safely and easily reached and not being under "lock and key", "fenced in", "covered up", or otherwise obstructed.

- (47) "Sanitary Sewer Service Line" or "Wastewater Service Line" means that portion of the privately-owned building sewer extending from the property served to the Wastewater System.
- (48) "Secondary Wastewater Meter" or "Secondary Meter" means a meter which is furnished, installed, and maintained by a user, and which is used to determine the amount of wastewater contributed by such user to the Wastewater System.
- (49) "Service Agreement" means the agreement or contract between the District and its customers pursuant to which water and or wastewater service is provided.
- (50) "Shall" is mandatory; "May" is permissive.
- (51) "Significant Industrial User" means any user of the District wastewater service who:
- (a) Is subject to National Categorical Pretreatment Standards as defined herein;
 - (b) Discharges an average of 25,000 gallons per day or more of process wastewater to the wastewater system, excluding sanitary, noncontract cooling, and boiler blowdown wastewater.
 - (c) Contributes a process wastestream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the Wastewater System; or
 - (d) Is designated as such by the District on the basis that the industrial user has a potential for adversely affecting the Wastewater System or for violating any pretreatment standard or requirement.
- (52) "Significant Violator" means an industrial user who is in significant noncompliance by violating one or more of the following criteria:
- (a) Chronic violations of wastewater discharge limits, defined as those in which 66 percent or more of all of the measurements taken during a 6-month period exceed, by any magnitude, the daily maximum limit or the average limit for the same pollutant parameter;
 - (b) Technical review criteria (TRC) violations, defined as those in 33 percent or more of all of the measurements for each pollutant parameter taken during a 6-month period equal or exceed the product of the daily maximum limit or the average limit times the applicable TRC (TRC = 1.4 for BOD, TSS, fats, oil, grease, and 1.2 for all other pollutants except pH);
 - (c) Any other violation of a pretreatment effluent limit (daily maximum or longer-term average) that the District Manager determines has caused, alone or in combination with other discharges, interference or pass through, including endangering the health of District personnel or the general public;
 - (d) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare, or the environment or has resulted in the District's exercise of its emergency authority to halt or prevent such a discharge;
 - (e) Failure to meet, within 90 days after the scheduled date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;
 - (f) Failure to provide, within 30 days after the due date, required reports such as baseline monitoring reports, 90 day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;

- (g) Failure to accurately report noncompliance; or
- (h) Any other violation or group of violations which the District Manager determines will adversely affect the operation or implementation of the local pretreatment program.

- (53) "Source" means any building, structure, facility, or installation from which there may be a discharge of pollutants.
- (54) "Sprinkling Meter" means a District water meter that is installed on a customer's water service line for the purpose of measuring the water delivered by a utility to a customer exclusively for lawn and garden irrigation.
- (55) "State" means the State of Montana.
- (56) "Storm Sewer" or "Storm Drain" means a sewer which carried storm and surface waters and drainage, but excludes wastewater and polluted industrial wastes.
- (57) "Sub Meter" means a meter or meters which are furnished, installed, and maintained by a customer, and which are installed downstream of the District water meter by the customer for the purpose of proportioning District water/wastewater charges between various tenants.
- (58) "Suspended Solids" means solids that either float on the surface or are in suspension in water, wastewater, or other liquids, and which are removable by laboratory filtering.
- (59) "Tampering" means damaging, altering, adjusting, or in any manner interfering with or obstructing the operation or function of any metering device that is used for measuring or registering District water and/or wastewater service.
- (60) "User" or "Customer" means any person receiving District water and/or wastewater service either directly or indirectly from the Water distribution System/or Wastewater System.
- (61) "Utility" means Utility Solutions, LLC, or its successors and assigns.
- (62) "Wastewater" or "Sewage" means the liquid and water carrying industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, together with any ground water, surface water, and storm water that may be present, whether treated or untreated, which is discharged into or permitted to enter the Wastewater System.
- (63) "Wastewater Treatment Plant" or "Wastewater System" means the wastewater treatment plant, and all associated pipelines, pumps, and collection facilities used or useful for the collection, treatment, and discharge of wastewater, owned and controlled by Utility Solutions, LLC.
- (64) "Water System" means the pumps, booster stations, pumps, and distribution facilities used or useful for the collection, treatment, and distribution of water, owned and controlled by Utility Solutions, LLC.
- (65) "Wastewater Meter" means a meter which is furnished, installed, and maintained by a user, and which is used to measure the amount of wastewater contributed by such user to the Wastewater System.
- (66) "Wastewater Service" or "District Wastewater Service" means the act of either

directly or indirectly discharging wastewater into the Wastewater System from users' building sewers for the purpose of collecting, transporting, treating, and disposing of users' wastewater.

- (67) "Water Service" or "District Water Service" means the distribution of water directly or indirectly from the Water System, or the availability of water supplied either directly or indirectly from the Water System
- (68) "Water Service Line" means all privately owned facilities, including service pipe, corporation stop, curb stop, curb box, District water meter box or vault, backflow prevention device, expansion tanks, pressure reducing valve, inside piping, appliances, and other apparatus on the customer's side of the point of delivery, except the District water meter and any other equipment owned by the District.

1-2 ABBREVIATIONS

The following abbreviations shall have the following designated meanings for the purposes of these rules and regulations:

- (1) BOD: Biochemical Oxygen Demand
- (2) CFR: Code of Federal Regulations
- (3) EPA: Environmental Protection Agency
- (4) MCA: Montana Code Annotated
- (5) mg/l: Milligrams per Liter
- (6) MPWSS: The current edition of the "Montana Public Works Standard Specifications."

CHAPTER 2 - GENERAL

2-1 AUTHORITY

These rules and regulations are enacted pursuant to the authority granted to the District under MCA Title 7, Part 22 (including but not limited to section 7-13-2217) and Part 23. These rules and regulations are subsidiary to any State or Federal laws or regulations which may govern water and wastewater service within the State of Montana. The Four Corners County Water and Sewer District also hereby adopts the most recent version of the Uniform Plumbing Code as a guideline for water and wastewater service design.

2-2 INTENT AND PURPOSE

The intent and purpose of these rules and regulations is:

- (1) To promote the health, safety, and general welfare of the inhabitants of the District and its environs; and
- (2) To provide the inhabitants of the District and its environs with efficient and economical water and/or wastewater service.

2-3 JURISDICTION

The jurisdictional area of these rules and regulations shall include any territory, whether situated within or outside the District limits, which is presently or in the future located within the District water and/or wastewater service areas and/or served with District water and/or wastewater service.

2-4 APPLICATION

These rules and regulations are hereby made a part of the contract with every person provided with District water and/or wastewater service. Further, every person making application for initiation of such service, or accepting such service, shall be bound thereby.

2-5 NON-COMPLIANCE

Any person who shall fail to comply with these rules and regulations after being given a written notice of the nature of the violation, and after being given the time to comply as stated in Section 3-5, shall be subject to discontinuance of District water and/or wastewater service. Provided, that in emergency situations, as determined at the sole discretion of the utility, such service may be discontinued without notice. District water and/or wastewater service shall not be restored until the violation is corrected and full compliance is assured. Further, once service has been discontinued for non-compliance with these rules and regulations, it shall not be restored until the customer involved pays to the District any applicable charges for discontinuance and/or reestablishment of service and restores any required deposits. In addition, persons failing to obey promulgated rules and regulations shall be subject to punishment and penalties.

2-6 REVIEW OF ADMINISTRATIVE ACTIONS

Any persons aggrieved by an administrative decision, any rules or regulation adopted, or the application of any rule or regulation governing the operation of the utility may petition the Board of Directors for review. The aggrieved shall file a written notice of appeal with the Board of Directors within 10 days after the date on which the grievance occurred. The notice of appeal shall state the specific action being appealed, the service account number, the reasons for appealing such action, the particular relief sought, the aggrieved person's correct mailing address, and shall be signed by the aggrieved person. The aggrieved person

shall be notified in writing by certified mail, return receipt requested, of the date, time, and place the matter will be considered by the Board of Directors. The aggrieved person and all other interested persons may appear at that date, time, and place and be heard. The Board of Directors shall act on the question within 30 days of the hearing on the questions.

2-7 OWNER'S DUTY TO USE DISTRICT WATER/WASTEWATER SERVICE

The owner of any house, building, or other property used for human occupancy, employment, or recreation, which is situated within the District limits, shall at the owner's expense, properly connect and use such facilities.

2-8 ACCESS TO CUSTOMER'S PREMISES

Access at reasonable hours to a customer's premises by authorized District employees shall be deemed to have been granted to the District by the customer during the time the customer accepts District water and/or wastewater service for the purpose of reading meters, testing, repairing, removing or exchanging any or all equipment belonging to the District, examining pipes and fixtures and the manner the water is used or the discharge made, or for the purpose of ensuring that a customer is in compliance with the rules and regulations. All persons must at all times frankly and without concealment answer all questions put to them by District employees relative to the consumption of water or discharge of sewage or other pollutants. Access shall also be granted to District employees to cut off the water supply in absence of an outside shutoff valve. If access is denied the District reserves the right to install a shut-off valve at the customer's expense and shut the water off.

2-9 PERMIT REQUIRED FOR CONNECTION, EXTENSION, OR USE

No persons shall uncover, make any connections with, or opening into, extend, use, alter, or disturb the Water System and/or Wastewater System without first obtaining a written permit for the purpose from the District Manager and paying all applicable fees.

2-10 UNAUTHORIZED ACTS

No plumber or other person shall make connections with the Water System and/or Wastewater System when a customer's service line has been disconnected by the District, or turn customer's water on or off, without first obtaining written permission to do so from the District Manager.

2-11 MISCELLANEOUS DEVICES

The District may require a customer to install, as a condition of continued water and/or wastewater service and at the customer's expense, an approved backflow prevention device, an approved expansion tank, an approved pressure reducing device, an approved pumping device, or any other similar type device that the District deems necessary to protect the Water System or the Wastewater System, its service products, or its customers/users'

facilities. The customer shall be responsible for the testing, operation, and maintenance of all such devices. The utility may also require the customer to submit semi-annual test results on such devices certifying that the devices have been checked by an authorized service representative and are in good working order.

2-12 CONDITIONS OF SERVICE

Service shall be provided by the District only under and in accordance with the rules and regulations contained herein, by modifications or additions thereto lawfully made, and under such applicable ordinances, resolutions, rate schedules, and contracts as may from time to time be lawfully established.

2-13 INTERRUPTIONS OF SERVICE

The District reserves the right to temporarily interrupt water and/or wastewater service to its customers for the purpose of addressing emergency situations or making connections, extensions, repairs, replacements, and/or additions to the Water System and/or the Wastewater System. Whenever possible the District shall give reasonable notice to its customers in advance of accomplishing such work.

2-14 LIABILITY OF DISTRICT

The District shall only be responsible to a customer for providing water and/or wastewater service in accordance with the conditions set forth herein, irrespective of ownership of the property served. The District shall not be responsible for inconvenience, damage, or injury to persons or property resulting from the District's termination, discontinuance, or interruption of District water and/or wastewater service to any property in accordance with these rules and regulations. Further, the District shall not be responsible for providing of District water service to a customer at a pressure greater than or less than the pressure existing in the water main at the point of delivery of the customer in question. The utility is responsible for water facilities up to the point of delivery. All facilities from the building up to and including the corporation stop are the responsibility of the property owner. The utility is responsible for wastewater facilities up to the point of interconnection. All facilities from the building up to and including the service wye or tee are the responsibility of the property owner. The District Manager shall determine whether a line is a service line or a portion of the Wastewater System or Water System if a discrepancy occurs.

CHAPTER 3 - INITIATION AND DISCONTINUANCE OF SERVICE

3-1 SERVICE APPLICATIONS REQUIRED

A person requesting to establish an account for District water and/or wastewater service with the District shall make written application for such service with the District. Applications are available at the office of the District Secretary. After approval by the District, the application to establish an account for water and/or wastewater service shall constitute the agreement between the District and the customer that the rules and regulations provided herein shall serve as the contract between said parties. Existing customers hereby agree to accept the rules and regulations provided herein as their contract with the District upon passage of said rules and regulations by the Board of Directors.

3-2 SERVICE APPLICATION PROVISIONS

An application to establish an account for District water and/or wastewater service shall contain a provision wherein the applicant agrees to pay to the District all charges for service provided by the District to the applicant. In addition, it shall contain a provision wherein the applicant agrees to abide by all the District's regulations governing District water and/or wastewater service, including the rules and regulations contained herein.

3-3 SERVICE APPLICANTS

A person requesting to establish an account for District water and/or wastewater service must be the owner of the property to be served. The service application shall include the name and mailing address of the owner of the property involved. It shall be the responsibility of the property owner to maintain on file with the District the owner's current mailing address. The owner of the property shall be held ultimately responsible for payment for water and wastewater service regardless of amount used by tenants of rental properties.

3-4 INFORMATION TO BE PROVIDED

A person requesting to establish an account for District water and/or wastewater service shall, upon request by the District, furnish proper identification, including but not limited to Driver's License Number, or birth date, together with any information necessary to verify identity of applicant and service address, including ownership, tenancy, or relationship of applicant to other present or former customers of the District at the service address in question. Accounts will only be established in the name of the owner of the real property. No tenants shall have their names on any account. In the event this information, or any other information required to be submitted under these rules and regulations, is not furnished, service to the applicant or service address involved shall be denied or discontinued until such information is provided. In addition, prior to restoring any service, the applicant must first pay to District any applicable charges for discontinuance and reestablishment of service.

3-5 SERVICE APPLICATION PRE-REQUISITES

An application to establish an account for District water and/or wastewater service shall be accepted by the District only for property that:

- (1) Is located within the District's water and/or wastewater service area;
- (2) Has a water and/or wastewater service line stubbed to the property line of the property to be served;
- (3) Has building and yard plumbing meeting the requirements of the latest edition of the Uniform Plumbing Code;
- (4) Has paid to the District all applicable connection fees.

3-6 TRANSFER OF SERVICE ACCOUNT

A customer requesting to have customer's District water and/or wastewater service account transferred to a new address may do so by telephone provided that the customer has an established account for District water and/or wastewater service. In the event that the applicant does not have an established account with the District, then the provisions of Section 3-1, regarding submission of such an application, shall apply.

3-7 DISCONTINUANCE OF SERVICE BY CUSTOMER

Once District water and/or wastewater service is initiated, a customer shall be responsible for payment to the District for any water and/or wastewater service is provided, including any minimum charges due, until such time as the customer requests the discontinuance of said service. A customer shall, under normal circumstances, contact the District at least 48 hours in advance of the need to discontinue the customer's District water and/or wastewater service, Saturdays, Sundays, and holidays, excluded.

3-8 DISCONTINUANCE OF SERVICE BY DISTRICT

The District may discontinue water and/or wastewater service to any customer/user as provided below or as may be provided elsewhere herein these rules and regulations:

- (1) **Without Notice**
 - (a) In the event of any condition determined to be hazardous to property and/or persons.
 - (b) In the event a customer/user uses equipment in such a manner that adversely affects the Water System and/or Wastewater System or that adversely affects District water and/or wastewater service to other customers/users.
 - (c) In the event of any unauthorized use or diversion of District water and/or wastewater service or when any evidence of tampering with or bypassing of the District water meter is found.
 - (d) Upon written receipt of orders from government authority to discontinue District water and/or wastewater service.

(2) **Upon Not Less Than 24 Hours Notice**

- (a) For violation and/or non-compliance with any applicable federal, state, or local laws, and rules and regulations contained herein.
- (b) For failure of a customer to permit representatives of the District reasonable access to the customer's premise for the purposes set forth in Section 2-9.
- (c) For failure of a customer to fulfill his/her contractual obligations for service, including, but not limited to, nonpayment of his/her current water/wastewater bill.

(3) **Upon 10 Days Written Notice**

- (a) For failure of a customer to keep his/her water service line, meter box/vault, fixtures, and/or any other appurtenances in good repair and in a safe and operable condition.
- (b) For failure of a user to keep his/her building sewer and appurtenances in good repair and in a safe and operable condition.

Whenever service is discontinued under this section, or any other section contained in these rules and regulations, the provisions of Section 2-5 regarding non-compliance shall apply. Further, for the purposes set forth under this section, or any other section contained in these rules and regulations, written notice shall be deemed to have been given by the District when such notice is mailed first class to the name and address of the owner of the property in question currently on file with the District as required under the provisions of Section 3-3.

CHAPTER 4 - TURN ON AND TURN OFF OF SERVICE

4-1 GENERAL

The District shall not turn the water on at the curb valve to any property until such time as the owner has established a District water/wastewater account as required under Section 3-1 and, in addition, has paid to the District a turn-on fee, if applicable.

4-2 OPERATION OF CURB VALVES

Only authorized representatives of the District shall turn water on or off at a customer's curb valve. The District will not turn the water on or off at a customer's curb valve unless the customer or an authorized agent thereof is at the customer's premise at that time to check for open faucets and/or leaking fixtures and plumbing.

4-3 INSPECTION OF METER AND APPURTENANCES REQUIRED

At the time the water is turned on, a District representative shall inspect the District water meter in question for evidence of tampering/bypassing and to ensure that it is sealed properly. Commercial properties shall be required to install an approved backflow prevention device and provide surge protection devices at the property owner's expense.

4-4 TURN-OFF FOR NONPAYMENT AND/OR NONCOMPLIANCE

The District normally shall not turn the water off on the day preceding a non-working day for non-payment of charges for District water and/or wastewater service or for non-compliance with these rules and regulations. However, the District may do so in those cases set forth in Section 3-8(1).

4-5 TURN-ON AND TURN-OFF LIABILITY DISCLAIMER

The District shall not be liable for any damage to persons or property that may result from the turning on or turning off of the water to a customer's premise as provided for in these rules and regulations or from the water being left on when the premise may be unoccupied.

4-6 LANDLORD RESPONSIBILITY

The real property owner of a rental property shall be primarily responsible for the payment in full of all water and wastewater bills generated by the real property so billed for said water use. Failure of the real property owner to pay the bill as and when rendered will subject the property to termination of service.

CHAPTER 5 - DEPOSITS

5-1 WHEN REQUIRED AND AMOUNT OF DEPOSIT

For the purpose of guaranteeing payment of the District water/wastewater charges, the District may require any prospective customer to file a deposit with the District prior to providing the prospective customer with District water and/or wastewater service. A person desiring to establish an account for District water and/or wastewater service to a property not currently served by the District shall be required to file a deposit with the District prior to being granted such service. Such deposit shall be equal to the estimated bill for 100 days of District water and/or wastewater service. Provisions can be made in a case of need that the deposit can be paid over a two-month period. If a customer established an account without a deposit, but subsequently develops an unsatisfactory credit history with the District, a deposit may be required as a condition of continuing service. No interest shall be paid on deposits.

5-2 APPLICATION OF DEPOSITS

The District may apply to a delinquent customer's account any or all of such customer's deposit to offset any outstanding bill at the customer's current or former address. The District may require the customer to immediately restore the deposit to the full amount whenever it has been used for this purpose.

5-3 TRANSFER OF DEPOSITS

Any deposit made under the provisions set forth in this section may be transferred by the District to any address within the District's service area where service is provided in the depositor's name.

5-4 FAILURE TO MAKE DEPOSITS

Failure to make deposits, increase deposits, or restore deposits after notification shall be due cause for the District to refuse/discontinue service to the customer involved until such deposit has been made plus the payment of any applicable charges for discontinuance and/or reestablishment of service.

5-5 REFUND OF DEPOSITS

The District may at any time refund a customer's deposit or any part thereof by check or by credit to the customer's account.

5-6 RECORD OF DEPOSITS

The District shall maintain a record of any deposits filed by customers with the District.

5-7 RECEIPT OF DEPOSITS

The District shall issue to a customer from whom a deposit is received a non-assignable receipt. However, the District shall provide reasonable ways and means whereby a deposit may be refunded to a customer who is unable to produce the original receipt. A current picture I.D. will be required to reclaim deposit.

CHAPTER 6 - TEMPORARY AND CONSTRUCTION SERVICE

6-1 TEMPORARY WATER AND/OR WASTEWATER SERVICE

District water and/or wastewater service provided for a shorter period than 6 months shall be considered temporary, and in such cases, the customer shall be required to reimburse the District for the cost of installing and removing the District water meter involved as provided under Section 10-8. Further, the customer shall at his/her expense install in accordance with District standards any needed water service lines/building sewers required in order to connect such temporary service as well as remove such facilities, if required, when service is discontinued.

6-2 CONSTRUCTION WATER PERMIT REQUIRED

It is prohibited for any contractor or other person engaged in construction work to utilize District water and/or wastewater service without first obtaining a written permit from the District and paying to the District the appropriate fees and charges for such service as well as a deposit for the anticipated water use as determined by the District Manager.

6-3 SERVICE FOR BUILDING CONSTRUCTION

A contractor, builder or owner shall take out a permit for use of any District water and/or wastewater service in connection with the construction of a building, and all such service shall be deemed temporary and subject to the provisions of Section 6-1. All water passing through the District water meter shall be billed to the applicant for such a permit at least monthly, and the charges for such service shall be calculated using the current minimum and metered water service schedules of the District. Such bills shall be due and payable when rendered. Failure of the applicant to pay the bill within 30 days after mailing shall be deemed sufficient cause to immediately remove the District water meter. Once removed, the District water meter shall not be reset for an applicant until all outstanding bills for construction water are paid and the applicant has reimbursed the District for its expenses in removing and installing the meter. In addition, regular District water and/or wastewater service to any new building shall not be initiated until all charges for temporary service, including any minimum service charges due, have been paid in full to the District.

6-4 FIRE SUPPRESSION SERVICE

Water provided or made available to a customer for fire suppression through a sprinkler system shall be billed to such a customer at least monthly. Such bills shall be due and

payable to the District when rendered. Failure to pay the bill within 30 days after mailing shall be deemed sufficient cause to immediately disconnect the sprinkler interconnection.

CHAPTER 7 - BILLING

7-1 BILLING PERIOD

The operation and maintenance charges for District water and wastewater services together shall be billed at least monthly. To meet unusual conditions, such as discontinuances, the District may render bills for service at other than the aforementioned intervals. Nothing in this paragraph modifies or limits the authority of the Board of Directors to charge, assess, or otherwise cause the levy of such taxes as the Board may deem appropriate to pay when due the full amount required under its contract with Utility Solutions, LLC, plus reasonable reserves.

7-2 BILLS DUE

All bills must be paid at the District office (or other designated location) promptly when due. Bills are due upon receipt but shall become delinquent 30 days from the date the billing is mailed. Users shall be notified of any delinquency by the District at the time of delinquency and shall be notified that the service will be discounted by the District ten (10) days from the date of the second months' bill, by attaching a notification to said bill. Upon failure to pay the delinquent account in full within such notification period, the District shall post a 24-hour notice of disconnection on the door of the service address prior to disconnection and the service will be disconnected and the delinquent account may be charged off against any deposit.

Before water service shall be turned back on, it shall be obligatory upon said customer to pay all of the delinquent bill, the cost of cutting off and turning service back on, and a refundable deposit. All delinquent amounts plus additional charges and deposit must be paid in full before services will be turned back on. If any such delinquent customer desires to have service turned on during on- business hours or on weekends or holidays, he/she must pay the required outside normal working hours rate in advance.

7-3 INFORMATION ON BILLS

As a minimum, a bill for District water and/or wastewater service shall show the customer's name and mailing address, the billing date, the billing period, the customer's account number, the service address, the previous and present meter readings, the actual or estimated water usage in gallons, the current and past due charges, the previous balance, and the total amount due.

7-4 REFUSAL OF SERVICE

The District may refuse service to any delinquent customer or to other members of the delinquent customer's household or firm when the request by such person for service may be a means for evading payment of unpaid District water and wastewater charges.

7-5 MULTIPLE OWNERS

Where District water and/or wastewater service is provided through a single meter to property having multiple owners, the District will not apportion the charges for the use of water and wastewater service among the various owners. The bill for such service shall be charged against the person in whose name the account stands. However, if the one in whose name the account stands fails, refuses, or is unable to pay such bill, the remaining owners shall be responsible for the unpaid District water/wastewater charges. Such unpaid bills may be cause for discontinuing service to the property involved until the total amount due is paid plus payment of any applicable charges for discontinuance and/or reestablishment of service and any required deposits are restored.

In instances where more than one service connection is served by a single curb stop, the District may install, or hire a plumber to install, a separate curb stop to any or all of the services in the event the account becomes delinquent. All charges associated with the installation of the curb stop as well as any reconnection charges must be paid by the property owner along with any required deposits before reestablishment of service.

7-6 PAYMENT TRANSFERS

Where a customer is liable to the District for District water and/or wastewater service at one address and is thereafter located at some other address, any amounts due to service furnished at any previous location may be transferred to the customer's account at the customer's current location. Water service may be discontinued at the customer's current location until all outstanding accounts are paid in full plus payment of any applicable charges for discontinuance and/or reestablishment of service and any required deposits are restored.

7-7 BILL PAYMENT STUB

Whenever possible, a bill payment stub should be presented when a District water/wastewater account is paid to ensure proper crediting of payment.

7-8 ESTIMATES

In instances where a meter is not read, the District may use estimated water usage and/or wastewater contributions in determining a customer's water/wastewater bill.

7-9 ADJUSTMENTS OF WASTEWATER BILLS

The wastewater rates, charges, and fees may be adjusted, as applied to a particular premises by the procedure set forth below, where it appears that:

- (1) The character of the wastewater from any manufacturing, industrial, or other plant, building, or premises is such that the wastewater rates provided are unfair, inequitable, unreasonable, or inadequate to pay the cost of wastewater service to such premises;
- (2) The entire amount of water delivered through the metered line, such as a line with a sprinkling meter, to any premises is used for such a purpose and in such a manner as to establish beyond reasonable doubt that such water does enter the Wastewater System;
- (3) The entire amount of water delivered through a secondary meter on any premises is used for such a purpose and in such a manner as to establish beyond reasonable doubt that water so delivered does not enter the Wastewater System. As provided under Section 10-24, secondary wastewater meters shall be furnished at the customer's expense and shall be of a type, size, and make and set at such place as shall be designated by the District Manager.

Any person who considers the wastewater rates, charges, and fees applicable to his/her premises unfair, inequitable, or unreasonable may present his/her complaints to the Board of Directors, stating the facts and grounds of complaint. The Board of Directors shall advise the District Manager of any need for investigation and a report of the investigation shall be made to the District. The Board of Directors, or a District appointed complaint committee, shall consider each and all of such complaints and reports and coordinate its recommendations with the District Manager. Where the entire amount of water or any metered portion thereof delivered to any premises does not enter the Wastewater System, this fact shall be part of the report. When the Board of Directors or appointed complaint committee finds that the wastewater rates, charges, and fees applicable to any premises are unfair, inequitable, unreasonable, or inadequate, the board shall have the right to order a public hearing as to any such matter, and if convinced that an adjustment of the wastewater rates, charges, and fees for such premises is necessary to provide equality with those charged to others, it shall so provide, either by amendatory ordinance, or by resolutions, special wastewater rates and charges for individual premises during the period of continuance of special circumstances which make the standard rates and charges unfair, inequitable, unreasonable, or inadequate.

CHAPTER 8 - RATES, CHARGES, AND FEES - GENERAL

8-1 GENERAL

All rates, charges, and fees for District water and/or wastewater service shall be adopted by the Board of Directors by resolution as such may be lawfully changed from time to time. Further, in accordance with the provisions of MCA 7-13-2301, no person shall be permitted to use or enjoy the benefit of the Water System and/or Wastewater System unless they pay the full and established rate for said service.

8-2 MONTHLY METERED WATER CHARGES

Any monthly metered water charges adopted by the Board of Directors, or as much may be lawfully change from time to time, shall apply to all customers that have either direct or indirect water service connections with the Water System.

The monthly metered water charge shall be based upon those standards set forth in Chapter 9 hereof. Monthly metered water charges are due and payable as set forth in Section 7-2.

Water hauled from fire hydrants will be metered and the charge will be based upon the 1000 gallon volume charge for District services stated in Chapter 9. Charges will be collected in advance and be based on anticipated water use.

8-3 MINIMUM MONTHLY WATER CHARGES

The minimum monthly charges shall be based on the size of District water meter used to serve a customer. Minimum monthly water charges are due and payable as set forth in Section 7-2.

8-4 MONTHLY VOLUME WASTEWATER CHARGES

Any monthly volume wastewater charges adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply to all users that have building sewers connected with the Wastewater System.

The monthly volume wastewater charges for commercial and public school accounts shall be billed based upon the volume of water used monthly, which shall be determined by taking the total number of gallons of water registered monthly on the District water meter, or such other approved water/wastewater meter that serves the account in question, for the months of December, January, February and March and dividing such total by 4. Monthly volume wastewater charges are due and payable as set forth in Section 7-2.

8-5 MINIMUM MONTHLY WASTEWATER CHARGES

Any minimum monthly wastewater charges adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply to all users that have building sewers connected with the Wastewater System. Minimum monthly wastewater charges are due and payable as set forth in Section 7-2.

8-6 CHARGES FOR REESTABLISHMENT OF WATER AND/OR WASTEWATER SERVICE

Any charges for reestablishment of water and/or wastewater service adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply to any customer that has had the water and/or wastewater service to his/her property discontinued

for failure to pay District water/wastewater charges or for failure to comply with the rules and regulations set forth herein. The charge for re-establishment of water and/or wastewater service shall be subdivided into two classification, which are "normal working hours" and "outside normal working hours." Once the water and/or wastewater service to a customer has been discontinued, such service shall not be restored until the customer involved is in full compliance with these rules and regulations and has paid to the District the applicable charge for reestablishment of District water and/or wastewater service, plus payment of any outstanding charges for such service.

8-7 WASTEWATER EXTRA STRENGTH SURCHARGES

Any wastewater extra strength surcharge adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply to all users building sewers connected with the Wastewater System and that contribute wastewater to the system with strength concentration in excess of the normal allowable limits of 250 mg/l of five-day BOD and 250 mg/l of total suspended solids. Charges will be handled on a case-by-case basis and will be based on the extra cost realized by the District in handling such extra concentrations.

Users contributing extra strength wastewater to the Wastewater System shall pay wastewater extra strength surcharges to the District in addition to the monthly volume wastewater charges.

Wastewater extra strength surcharges are due and payable as set forth in Section 7-2.

8-8 CONNECTION CHARGES FOR WATER AND/OR WASTEWATER SERVICE

Any charges for connection of service lines to the Water System and/or Wastewater System adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply to those desiring to make connections to the existing Water System and/or Wastewater System. This fee shall include costs of inspecting and tapping by District personnel or others subcontracted by the District to do so in place of District personnel.

There will be no waiver of connection fees. The District may choose, when it is so deemed to be in the District's best interest, to provide payment of a connection fee from the General fund rather than assess a particular non-profit group.

8-9 MISCELLANEOUS WATER/WASTEWATER FEES AND CHARGES

Any miscellaneous water/wastewater fees and charges adopted by the Board of Directors, or as such may be lawfully changed from time to time, shall apply as follow:

(1) **Connection Charges**

The connection fee for introduction of water service or wastewater service to a previously unserved tract or parcel of land shall apply to any person submitting such type of application to the District for processing. The

propose of the connection fee is to compensate the District for its expense in processing an application for introduction of service, as well as inspection and/or tapping of the service connection, and the procurement, installation, and calibration of appropriate meters. Any leftover portion of the fee will be retained in a reserve account to cover expenses over and above the inspection and tapping fee for future taps. The Board of Directors may annually roll over any excess funds from this account into other District accounts or into the account for capital improvement costs. The fees shall be due and payable at the time the introduction of service application is filed with the District.

(2) **Fee for Performing a Special Meter Accuracy Test**

The fee for performing a special meter accuracy test shall apply to any customer that desires the District water meter serving his/her property be tested for accuracy, as provided for under Section 10-13. This purpose of the fee for performing a special meter accuracy test is to compensate the District for its cost in performing such a test in those instances where the District water meter is found by a test to be within acceptable accuracy limits. The fee shall be due and payable to the District at the time the request for performing a special meter accuracy test is filed with the District.

(3) **Fee for Setting/Removing A Fire Hydrant Meter**

The fee for setting/removing a fire hydrant meter shall apply to any person submitting to the District water/wastewater District an application to obtain construction water by means of a fire hydrant meter, as provided for under Section 6-4. The purpose of the fee for setting/removing a fire hydrant meter is to compensate the District for its expense in setting and removing such a meter. The fee shall be due and payable to the District at the time the application for construction water is filed with the District. A deposit will also be required to compensate the District for anticipated water usage.

(4) **Fee for Performing Fireflow Test**

The fee for the performance of a fireflow test by the District shall apply to all persons who request the performance of such a test. The purpose of the fireflow test fee is to compensate the District for its expenses in performing such a test. The fee shall be due and payable to the District at the time the request for a fireflow test is filed with the District.

(5) **Fee for Flushing, Testing, and Chlorinating Water Mains**

The fee for flushing, testing, and chlorinating water mains shall apply to all persons who request the District to perform such work.

The purpose of the fee is to compensate the District for its expense in flushing a water main and performing a bacteriological test and a chorine residual test on the water contained therein. The fee shall be due and payable to the District at the time the request for such work is filed with the District. The amount of the fee shall be dependent upon the extent of the work involved.

8-10 CHARGES FOR MISCELLANEOUS WORK/SERVICE

The District shall require service agreements to be executed by a prospective customer prior to performing any work and/or service for the customer. All charges for work performed by the District for a customer shall be adequate to cover the District's expenses, including by not limited to application, license, construction, permit, and legal fees as well as overhead, but shall not include any profit for the District. The District may revise the charges from time to time to reflect current costs, and the District may estimate such charges and require the prospective customer to deposit an amount equal to such estimated charges with the District prior to performing such work or service. In the event the District has overestimated the cost of performing such work, the District shall refund to the customer any overpayment upon completion of the work by the District. In addition, the customer shall pay to the District an amount equal to the difference between the estimated costs and the actual cost in the event the District has underestimated the cost of the work performed by the District. The charges shall be due and payable to the District upon completion of the work performed.

8-11 LATE PAYMENT INTEREST CHARGE

The District shall require delinquent customers to pay a late-payment interest charge on any monthly account balances that are not paid in full before the next billing period, which is approximately 30 days. The late payment interest charge shall be applied on the full past due amount, including any special fees or charges.

CHAPTER 9 - CURRENT RATES, CHARGES AND FEES

The following rates, charges, and fees will be established by the elected governing Board of Directors by resolution. All rates, charges, and fees will be in effect as of the date of this resolution. The following rates, charges, and fees are due to change from time to time as costs increase and may be done so by amendments to, or replacements of, this chapter.

COMBINED WATER AND SEWER RATES - Service Area I
The minimum monthly rates are:

USER	MULTIPLIER	MINIMUM MONTHLY CHARGE - BASE RATE	GALLONS INCLUDED IN BASE RATE
Northstar			
Single Family Block 3,4,5	1	\$38.00	10,000

Town Homes Block 6.7	1	\$38.00	10,000
Retail Corner Block 2	7.84	\$297.92	78,400
Galactic Park			
Single Family	1.5	\$57.00	15,000
Condos	1	\$38.00	10,000
Commercial	7.84	\$297.92	78,400

Incremental sales are \$1.50 per 1,000 gallons in excess of the base gallons.

- Charge for discontinuance/re-establishment of water service
 - Inside normal working hours \$50.00
 - Outside normal working hours \$75.00
- Charge for discontinuance/re-establishment of wastewater service
 - Per hour \$60.00
- Connection Charges (Impact Fee) for Sewer Service
 \$250.00 impact fee plus \$150 inspection and tapping fee for each water tap per EDU.
- Connection Charges (Impact Fee) for Water Service:
 \$250.00 impact fee plus \$150 inspection and tapping fee for each water tap per EDU.

CHAPTER 10 - METERING

10-1 GENERAL

Except for firelines, all water service lines shall be metered by the District. The District shall normally read all District water meters for commercial accounts monthly and all District water meters for domestic accounts at least bi-monthly to determine customer usage and/or customer wastewater contributions for billing purposes. In months where the District water meter cannot be read, the District may estimate the meter reading and use the calculated water usage/wastewater contribution to render the bill for the customer involved. The District shall not estimate a meter reading for a customer more than four consecutive months without first making every effort to read the meter in question.

10-2 DISTRICT'S RESPONSIBILITY

It shall be the District's responsibility to:

- (1) Determine the size of the District water meter to be installed on any water service line connected with the District water supply system:

- (2) Inspect and test all District water meters prior to installation on water service lines to ensure that such meters meet or exceed the standards of the American Water Works Association for such type meters;
- (3) Replace all 5/8-inch through 1-1/2 inch District water meters at intervals not to exceed 20 years;
- (4) Test and replace, if needed, all 2-inch District water meters every 3 years and all 3- inch and larger District water meters every 2 years;
- (5) Ensure that all District water meters are properly sealed prior to installation on water service lines and before changing any customer account to a new party; and
- (6) Periodically check all District water meters that are in service for tampering, bypassing, or any other acts of water theft.

10-3 CUSTOMER'S RESPONSIBILITY

It shall be the customer's responsibility to:

- (1) Furnish, install, and maintain a District water meter, and any required remote-reading equipment on every water service line connected with the Water System;
- (2) Provide a location for installation of the District water meter that is readily accessible and that is properly protected from damage due to freezing or other adverse conditions;
- (3) Furnish, install, and maintain an approved outside meter box/vault, when required by the District Manager, as well as any pipe, fittings, meter loops, valves, expansion tanks, backflow prevention devices and surge protection devices on commercial accounts, pressure reducing devices, telephone lines/jacks, and other appurtenances required to meet the standards of the District for the type metering facility involved;
- (4) Obtain the written approval of the District in advance of installing the plumbing for a large District water meter (1-1/2 " and larger), whether it be set inside or outside the building to be served; and
- (5) Protect the District water meter from tampering, bypassing, or any other acts of water theft.

10-4 INSIDE METERING FACILITIES

An inside District water metering facility shall be approved by the District prior to its installation, shall meet the standards and specifications of the District, and shall met the following requirements:

- (1) The District water meter and backflow prevention device shall be installed in a horizontal position, not over 2 feet above the floor, and shall be located as close as possible to the point where the water service line enters the building;
- (2) The District water meter shall be located near a floor drain if at all possible;

- (3) A valve shall be installed just before and one just after the District water meter to allow removal and replacement of the meter without first draining the entire service line and building plumbing;
- (4) A District water meter having the size of 1-1/2 inches or larger shall have a valved bypass installed around the meter to provide continuous service when the meter is out for repair.

10-5 OUTSIDE METERING FACILITIES

An outside meter box/vault shall be engineered by a licensed Professional Engineer in the State of Montana, approved by the District prior to construction, shall meet the standards and specifications of the District, and shall meet the following general requirements:

- (1) The meter box/vault shall be located on private property at or near the point where the water service line enters the property to be served and outside any driveway or roadway;
- (2) The meter box/vault shall be located near a driveway or turnout and shall be readily accessible to District vehicles without causing damage to public or private property or endangering the public or District personnel;
- (3) The meter box/vault shall be waterproof and shall be large enough to safely and easily install, maintain, and replace the District water meter, backflow prevention device, if required, and other appurtenances;
- (4) The District water meter and backflow prevention device shall be installed within the meter box/vault in a horizontal position, not over 2 feet above the floor;
- (5) A valve shall be located before and one after the District water meter to allow removal of the meter without first draining the water service line and the yard and building plumbing;
- (6) A District water meter having a size of 1-1/2 inches or larger shall have a valved bypass installed around the meter to provide continuous service when the meter is out for repair;
- (7) The remote-read encoder, when needed, shall be installed on a post or supported by other means at or near the customer's front property line.

10-6 USE OF INSIDE/OUTSIDE METERING FACILITIES

As a condition of service, a customer shall normally provide inside metering facilities meeting all the requirements of Section 10-5. The District Manager may, however, require any customer to install an outside meter box/vault meeting the requirements of Section 10-6, as a condition of providing/continuing water and/or wastewater service to the property involved. Conversely, the District Manager may also require a customer to replace defective outside metering facilities with inside metering facilities meeting the requirements of Section 10-5 as a condition of continuing water and/or wastewater service to the property involved.

10-7 PERMANENT AND TEMPORARY METER INSTALLATIONS

When a District water meter is installed at the request of a customer, its installation is deemed to be permanent unless the customer discontinues service entirely. Service on a District water meter for a shorter period than 6 months shall be considered temporary. The customer shall be required to reimburse the District for the cost of installing and removing a temporary District water meter.

10-8 SUB METERS

Customers desiring one or more sub meters for various tenants shall furnish, install, maintain, and read such meters at their own expense. The District shall not furnish, install, maintain, read, or bill on such meters. Further, all District water/wastewater charges for a single water service line shall be billed to and shall be paid by the person named on the water service application for the property involved.

10-9 STANDARD METER AND SERVICE LINE SIZES

The following table shows the size of meter that will normally be used by the District on various size water service lines. Standards of the Uniform Plumbing Code shall be used when sizing water meters and lines.

10-10 SERVICE LINE DIAMETER-INCHES MINIMUM SIZE OF METER-INCHES

3/4	3/4
1	1
1-1/2	1-1/2
2	3
4	4
6	6
8	

A customer requiring a District water meter larger than 6 inches shall be provided with multiple meters manifolded together to meet the customer's water demands, with the number of meters and their sizes determined by the District. Meters and water service lines to be installed to serve water filling stations shall be limited to a size of 2 inches or less unless otherwise authorized in writing by the District Manager.

10-11 SINGLE METER PER SERVICE LINE

The District will provide only one District water meter for a single water service line except for those that require meters larger than 6 inches.

10-12 INTERCONNECTED WATER SERVICE LINES

A customer served by two or more water service lines which are interconnected shall have a check valve located on each water service line at its metering facility to prevent circulation of the water through the customer's meter and water service lines and back into the District water supply system.

10-13 SPECIAL METER ACCURACY TESTS

When a customer makes a complaint that the District water/wastewater charges for any particular billing period are excessive, the District shall, upon request, have the District water meter for the customer involved reread and inspect the customer's plumbing for leaks. Should the customer then desire that the District water meter be tested, the customer shall make a deposit with the District to cover the cost of making the test. The District will then test the meter in question. Should the meter on test show a registration in excess of 3 percent in favor of the District, the account deposited shall be refunded to the customer and the District shall make an adjustment for the estimated excess consumption on the bill immediately preceding and/or the current bill. The excess registration on the reading for the previous and/or current month shall be credited to the customer's account. Where no such error is found in favor of the District, the amount deposited will be retained by the District to cover the expense of performing the test.

10-14 REPLACEMENT OF METERS

Whenever a customer requests the replacement of the District water meter, such request shall be treated as a request for a test of the meter. As such, it shall be handled by the District in the manner set forth in Section 10-13.

10-15 STANDARD OF METER ACCURACY

The District shall not place in service or allow to remain in service without adjustment any District water meter that has a known error in registration of more than plus or minus 3 percent.

10-16 NON-REGISTERING METER

When the District water meter fails to register for any period, and the reason for the malfunction is beyond the reasonable control of the District, the District may estimate the charge for District water and/or wastewater service during the period in question. The malfunctioning meter must be repaired/replaced by the District within one month of the date that the meter was discovered by the District to be malfunctioning.

10-17 TESTING AND REPAIRING METERS

The District may test and/or repair a District water meter at any time, and for this purpose the District may temporarily shut off the water to a customer.

10-18 DAMAGED METERS AND EQUIPMENT

Whenever a District water meter, meter horn, check valve, cable, remote read device, or any other equipment owned by the District is damaged by the carelessness or negligence of the customer, the District shall repair/replace the damaged equipment and charge the cost of doing so against the customer's account. Failure to pay this charge shall be just cause for the District to discontinue water and/or wastewater service to the property involved until the total amount is paid plus payment of any applicable charges for discontinuance and/or reestablishment of service.

10-19 PROHIBITED TAPS/CONNECTIONS

It is prohibited for any customer to make a tap or to maintain a connection with the customer's water service line at a point located upstream of the District water meter. Such taps/connections shall be treated as a bypass around the meter and subject to the provisions of Section 10-20.

10-20 METER TAMPERING/BYPASSING

It is prohibited for any person to bypass or tamper with a District water meter. It is also prohibited for any person to receive District water and/or wastewater service knowing that the measurement of such services is being affected by bypassing or tampering. In case a meter seal is broken or the working parts of the meter have been tampered with or the meter damaged or bypassed, the District will, in addition to any other penalties provided by law, estimate the time period the tampering took place and will render an estimated bill for that time period to the customer involved. The District will also bill the customer for the full cost of repairing such damage to the meter, and may refuse to furnish water until the customer's account is paid in full plus payment of any applicable charges for discontinuance and/or reestablishment of service.

10-21 RELOCATION OF METERS

A customer requesting relocation of the District water meter after its initial installation will bear all costs associated with relocating the meter.

10-22 MAINTENANCE OF OUTSIDE METER BOXES/VAULTS

A customer shall at his/her expense keep his/her outside meter box/vault and appurtenances in good repair, readily accessible, and in a safe and useable condition at all times. Failure to do so shall be deemed just cause to discontinue District water and/or wastewater service to the customer involved as provided in Section 3-8(3).

10-23 FIRE HYDRANT METERS

The following provisions and conditions shall govern the setting, use, and removal of District fire hydrant meters for the purpose of obtaining water for public works construction:

- (1) Only fire hydrants owned by the District shall be used for this purpose. Privately owned hydrants and those fire hydrants situated outside the District shall not be used for this purpose. The District reserves the right in all cases to determine upon which particular fire hydrant a District fire hydrant meter shall be installed.
- (2) The applicant for a meter shall sign the application for such service, shall be responsible for the payment of all fees and charges for such service, shall submit a deposit for anticipated water use, and shall be responsible for the protection and care of the meter while it is in use. In addition, any damages to public or private property, including the District fire hydrant meter and the District water supply system, caused by the applicant's use of the District fire hydrant meter shall be immediately repaired by the applicant at the applicant's expense. Further, it shall be the applicant's responsibility to secure the operating valve on the District fire hydrant meter whenever the applicant is not using the meter so as to preclude unauthorized use of water through the meter.
- (3) Only District personnel shall install and/or relocate a District fire hydrant meter. Further, such a meter shall not be installed on a fire hydrant in a manner which will interfere with the fire department's use of the 4-inch pumper nozzle.
- (4) The District shall not relocate a fire hydrant meter for an applicant without the applicant's first having obtained a new permit and having again paid to the District the appropriate fire hydrant meter setting/removal fee and usage deposit. Such relocations shall be limited to a maximum of one per day for each applicant.
- (5) District fire hydrant meters shall normally be set on the basis of permit dates, with the earliest date having first priority.
- (6) Applicants shall give the District water/wastewater District at least 48 hours notice of their need to have a District fire hydrant meter installed.
- (7) A fire hydrant meter shall not be installed during months when the weather may subject it to freezing. Further, since service from a District fire hydrant meter is considered temporary, such a meter shall not be installed at any one location for a period greater than 6 months nor less than one day.
- (8) Applicants for a District fire hydrant meter shall ensure that their filling operations do not cause a cross connection or excessive pressure surges. Failure to do so shall be deemed just cause to immediately remove the District fire hydrant meter from service. Such service shall not be restored until the applicant takes corrective action, takes out another District fire hydrant meter permit, and pays the appropriate permit fees to the District.

- (9) Any person tampering with or bypassing a District fire hydrant meter shall be punished as provided in Section 10-20.

10-24 SECONDARY WASTEWATER METERS

Secondary wastewater meters that are to be installed under the provisions of Section 7-11 shall be furnished, installed, and maintained by the owners of the property to be served by such meters. In addition, such meters shall be of a size, type, and make and set at such place as shall be designated by the District Manager. Such meters shall meet or exceed the standards of the American Water Works Association for such type meters.

10-25 SPRINKLING METERS

Sprinkling meters are used to measure the amount of water delivered by the District to a customer exclusively for lawn and garden irrigation. Said meters shall only be installed on water service lines serving property situated within the District limits. Further, said meters shall either be installed on separate, independent water service lines or else be installed on branch water service lines which are connected to the customer's main water service lines at a point located upstream of the regular District water meters. If the sprinkling meter is not located inside a heated building it must be installed in an approved, engineered meter pit to protect it from freezing and/or tampering.

CHAPTER 11 - USE OF WATER SERVICE

11-1 WASTE OF WATER

Waste of water is prohibited. Customers shall keep all waterways closed when not in use. Further, customers must keep their water service lines, valves, fixtures, appliances, and other equipment in good order at all times and at their own expense. Leaking water service lines, valves, fixtures, appliances, and other equipment shall be repaired at once by the customer without waiting for notice from the District.

11-2 CROSS CONNECTIONS

Furnishing of water service to any customer or prospective customer shall be contingent upon the customer furnishing a type of connection which is approved by the District. When required by the District, the connection must be capable of protecting the District's water supply from contamination due to backflow and back siphonage. It shall be prohibited for the owner or occupant of any premise using water supplied by the District to cross-connect such water supply with a foreign source of water or with any appliance, appurtenance, hose, pipe, or other fixture in such a manner that there is a possibility that water or other substances from such foreign source may flow, be siphoned, or be forced into the District water system.

If contamination of the District water supply occurs, the District, or a plumber hired by the District, shall be allowed to inspect the water system to determine the cause and source of contamination. All costs associated with the inspection and corrective measures to remove contamination from the system shall be charged to the owner of the property which is determined to be the source of said contamination.

11-3 RESALE OF WATER

The District's water rate schedules cover the sale of water for the sole and exclusive use of the customer. Water service shall be used by customer only for the purposes specified in the service agreement, contract, or applicable rate schedules. Customer shall not re-meter, sell, or permit any other individual to use such service or secure water through customer's service line by hose or other devices for the purpose of supplying water to the individual's property without first obtaining written permission to do so from the District.

11-4 WATER USE RESTRICTIONS

The District Manager is authorized and empowered to determine and establish the times and hours when water may be used for watering and sprinkling lawns and gardens and may set and fix times when no water may be used for such purposes. Further, he/she may make such rules and regulations regarding the use of water as he/she may find necessary to maintain an adequate supply of water in the reservoirs for fire District protection or for other public health and safety reasons.

11-5 UNLAWFUL SPRINKLING OF LAWNS AND GARDENS

Any person using water for the purpose of watering and sprinkling of any lawn and/or garden at a time prohibited by the rules and regulations established by the District Manager shall be subject to discontinuance of water and/or wastewater service as well as any punishment and penalties available under law.

- (10) Any pollutant, including oxygen demanding pollutants (BOD, etc.), released in a discharge of such volume or strength as to cause interference in the Wastewater System unless such discharge is first approved by the District;
- (11) Any petroleum oil, solvents, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or pass through;
- (12) Any trucked or hauled pollutants, except for septage which is permitted to be discharged at the approved manhole location;
- (13) Any storm water, surface water, ground water, roof runoff, subsurface drainage, cooling water or unpolluted industrial process waters. Storm water and all other unpolluted drainage shall be discharged to such sewers as are specifically designated as combined sewers or storm sewers, or to a natural outlet approved by the District Manager. Industrial cooling water or unpolluted process waters may be discharged, upon approval of the District Manager, to a storm sewer, combined sewer or natural outlet;

12-2 GREASE, OIL AND SAND INTERCEPTORS

Grease, oil, and sand interceptors shall be provided when, in the opinion of the District Manager, they are necessary for the proper handling of liquid wastes containing (a) grease in excessive amounts, (b) any flammable wastes, (c) sand, or (d) any other harmful ingredients. Such interceptors shall not be required for private living quarters or dwelling units.

All interceptors shall be of a type and capacity as approved by the District Manager, shall be approved and stamped by a licensed Professional Engineer in the State of Montana and shall be located so as to be readily and easily accessible for cleaning and inspection. The cost of said interceptors shall be at the expense of the user/customer.

Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and be equipped with easily removable covers which, when bolted in place, shall be gas tight and watertight.

12-3 MAINTENANCE OF INTERCEPTORS

Where installed, all grease, oil, and sand interceptors shall be maintained by the owner/customer, at his/her expense, in continuously effective operation.

12-4 APPROVAL REQUIRED FOR DISCHARGE OF CERTAIN WATERS

The District Manager's approval shall be required for the admission into the public sanitary sewers of any waters or wastes having the following characteristic:

- (1) A five-day biochemical oxygen demand greater than 250 milligrams per liter;
- (2) More than 250 milligrams per liter of total suspended solids;
- (3) Containing any quantity of substances described in Section 12-1; and/or
- (4) Having an average daily flow greater than two percent of the average daily wastewater flow entering the Wastewater System.

12-5 PRELIMINARY TREATMENT FACILITIES

The owner shall provide facilities meeting the requirements set forth in these rules and regulations at his/her own expense where it is necessary; in the opinion of the District Manager, to provide preliminary treatment of any waters or wastes to:

- (1) Reduce the 5-day biochemical oxygen demand in such waters or wastes to at least 250 milligrams per liter;
- (2) Reduce the total suspended solids in such waters or wastes to at least 250 milligrams per liter;
- (3) Reduce objectionable characteristics or constituents in such waters or wastes to within the maximum limits provided by this chapter; and/or
- (4) Control the quantities and rates of discharge of such waters or wastes.

Plans, specifications, and other pertinent information concerning the proposed facilities shall be submitted for the approval of the District Manager and the State Department of Environmental Quality. No construction shall be commenced until such approvals are obtained in writing.

12-6 MAINTENANCE OF PRELIMINARY TREATMENT FACILITIES

Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the owner at his/her expense.

12-7 CONTROL MANHOLES AND TEST LOCATIONS

When required by the District Manager, the owner of any property served by a building sewer carrying industrial wastes shall install a suitable control manhole or other suitable sampling point, with measuring and sampling devices included, in the building sewer to facilitate observation, sampling, and measurement of the waters or wastes. Such sampling point and appurtenances, when required, shall be readily accessible and safely located and shall be constructed in accordance with plans engineered and stamped by a licensed Montana Professional Engineer and approved by the District Manager. The sampling point and appurtenances shall be installed by the owner at his/her expense and shall be maintained by him/her so as to be readily and safely accessible at all times, with all equipment maintained in continuously satisfactory and accurate operational condition.

12-8 WASTEWATER TESTING AND ANALYSES

All measurements, tests and analyses of the characteristics of the waters and wastes to which reference is made in Sections 12-1 and 12-4 shall be determined in accordance with 40 CFR Part B6. Guidelines Establishing Test Procedures for the Analysis of Pollutants, unless otherwise specified, and shall be determined at the sampling point provided for in Section 12-7 upon suitable samples taken at such sampling point. In the event that no sampling point has been required, the sampling point shall be considered to be the nearest manhole downstream to a point in the public sanitary sewer at which the building sewer is connected.

CHAPTER 13 - PRETREATMENT OF INDUSTRIAL WASTES

13-1 METHODOLOGY

Unless otherwise specified, all measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in this section shall be determined in accordance with either (a) the latest edition of the "Standard Methods for the Examination of Water and Wastewater," as published by the American Public Health Association, (b) the ASTM Annual Book of Standards, or (c) the "Methods for Chemicals Analysis of Waters and Wastes," as published by the EPA.

13-2 ACTIONS OF THE DIRECTOR

Whenever the District Manager determines that a significant industrial user is contributing to the Wastewater System any of the substances referred to in Chapter 12, in such amounts as to interfere with the operation of the Wastewater System or to constitute a harmful contribution to the Wastewater System, The District Manager shall:

- (1) Notify or cite the significant industrial user in accordance with Section 13-11 and develop and apply specific effluent limitations and pretreatment requirements for the significant industrial user to correct the interference with or harm to the Wastewater System.
- (2) Take any actions as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the Wastewater System and/or endangerment to any individuals.

13-3 PREEMPTION BY NATIONAL CATEGORICAL PRETREATMENT STANDARDS

Upon the promulgation of the National Categorical Pretreatment Standards for a particular industrial sub- category, the National Standards, if more stringent than limitations imposed under Chapter 12 for sources in that sub-category, shall immediately supersede the limitations imposed under Chapter 12. The District Manager shall notify all affected significant industrial users of the applicable reporting requirements under CFR Section 403.12. Failure to notify shall not relieve a significant industrial user from any requirements under the law.

13-4 MODIFICATION OF NATIONAL CATEGORICAL PRETREATMENT STANDARDS

When the District wastewater treatment plant has achieved consistent removal of pollutants limited by National Pretreatment Standards, the District may apply to the approval authority for modification of or exemption from specific limits in the National Pretreatment Standards.

13-5 STATE REQUIREMENTS

State requirements and limitations on discharges shall apply in any case where they are more stringent than federal requirements and limitations or those in Chapter 12.

13-6 INDUSTRIAL DISCHARGE PERMITS

(1) Permit Application.

Significant industrial users may be required to obtain an Industrial Discharge Permit and shall complete and file with the District an application in the form prescribed by the District Manager and accompanied by the permit application fee. The significant industrial user shall submit, in units and terms suitable for evaluation, all information required by the permit application, a state approved and Montana registered engineer stamped impact study, and any supplemental information requested. All significant industrial users connected to or discharging to the District system who are determined to be subject to Industrial Discharge Permit requirements shall apply immediately. Other significant users proposing to connect to the system who are determined to be subject to Industrial Discharge Permit requirements shall apply at least 30 days prior to National Categorical Pretreatment Standard and has not previously submitted an application for an Industrial Discharge Permit, the significant industrial user shall apply for an Industrial Discharge Permit within 60 days after the promulgation of the applicable National Categorical Pre-treatment Standard.

(2) Issuance

After evaluation of the permit application, the District Manager may issue an Industrial Discharge Permit subject to terms and conditions provided herein. In determining whether a permit shall be issued and/or what conditions shall be applied, the District Manager shall consider all applicable Network Categorical and Local Pretreatment Standards.

(3) Permit Conditions

Industrial Discharge Permits and significant industrial user permittees shall be subject to all applicable District Rules and Regulations, user charges, and fees. Permits shall contain, but shall not be limited to, the following requirements or terms and conditions:

- (a) Notice of the general and specific prohibitions required.
- (b) Prohibitions on discharge of any specific materials.
- (c) Notice of applicable National Categorical Pretreatment Standards.
- (d) Limits equal to or more stringent than the Specific Pollutant Limitations as established pursuant to Chapter 12, concerning average and maximum wastewater constituents, and on characteristics of either the

individual industrial process wastes or combined industrial wastewater discharge.

- (e) Limits on average and maximum rate and time of discharge, or requirements for flow regulations and equalization.
- (f) Monitoring facilities.
- (g) Monitoring programs, which may include sampling locations; frequency of sampling; number, types, and standards for tests; reporting schedules; and pollutants to be monitored.
- (h) Installation, maintenance, and cleaning of any pretreatment facilities that are necessary to achieve compliance with the requirements including filtration; chemical treatment; grease, oil, and sand traps; and other necessary equipment.
- (i) Compliance schedules and any periodic progress or compliance reports required by federal pretreatment regulation, including 40 CFR 103.12.
- (j) Submission of technical reports or discharge reports, as provided for in Section 13-8.
- (k) Maintenance and retention of plant records relating to wastewater discharge for a minimum of 3 years or as specified by the District Manager.
- (l) Notification of any discharge or new wastewater constituents or of any substantial change in the volume or character of the wastewater constituents being introduced into the Wastewater System.
- (m) Notification of any slug or accidental discharge.
- (n) Agreement of the industrial user to (1) allow reasonable access by the District to ensure compliance with permit conditions, (2) agree to perform and comply with all permit conditions, and (3) submit to the remedy of specific performance for breach of contract.
- (o) Permit duration and conditions of transfer.
- (p) Penalties for violations.
- (q) Other appropriate conditions, in the judgment of the District Manager, necessary to ensure compliance with regulations.

(4) Permit Duration

Industrial Discharge Permits are valid for a specified time period not to exceed 3 years from the date of issuance or modification. Each significant industrial user shall apply for permit renewal at least 90 days prior to the expiration date of the existing permit.

(5) Permit Modifications

The terms and conditions of any permit may be subject to modification (a) by the District Manager during the term of the permit, (b) by the modification of Rules and Regulations set forth herein, or (c) as other just cause exists. The Significant industrial user shall be notified of any proposed changes in his/her

permit at least 30 days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

(6) Permit Transfer

Industrial Discharge Permits are issued to a specific significant industrial user for a specific operation. An Industrial Discharge Permit is not transferable and is void if reassigned, transferred, or sold to a new owner, new user, different premises, or a new or changed operation without written approval by the District Manager.

13-7 REPORTING REQUIREMENTS

The compliance reports shall indicate the average and maximum daily flow or predicted flow for the process units in the significant industrial user facility subject to the federal, State, or District standards and requirements, whether these standards are being met on a consistent basis and, if not, what additional operations, maintenance, or pretreatment is or will be necessary to bring the significant industrial user into compliance with the applicable pretreatment standards or requirements. This statement shall be signed by an authorized representative of the significant industrial user and shall be certified by a qualified professional engineer or a person with adequate wastewater discharge experience as determined by the District Manager.

The District Manager may impose mass limitations in addition to concentration limitations on significant industrial users which are expressly authorized by an applicable categorical pretreatment standard to use dilution to meet applicable pretreatment standards or requirements or upon other significant industrial users when deemed necessary. In such cases, the records and reports shall also indicate the mass of pollutants regulated by pretreatment standards in the effluent of the significant industrial user. These reports shall contain the results of sampling and analysis of the discharge including the flow, nature, concentration, production, and mass of pollutants which are limited by the applicable pretreatment standards. The frequency of monitoring shall be prescribed in the Industrial Discharge Permit.

13-8 AVAILABILITY OF RECORDS

All records relating to compliance with pretreatment standards of requirements shall be made available to officials of the EPA or the State Department of Environmental Quality upon request of the District Manager.

13-9 NOTIFICATION OF VIOLATION

Whenever the District finds that any significant industrial user has violated or is violating their Industrial Discharge Permit, or any prohibition, limitation, condition, or requirements contained therein, the District Manager, at his/her discretion, may either immediately cite the violator or may serve upon such person a written notice stating the nature of the violation, corrective action necessary, and the time limit for its satisfactory correction. Within the time limit stated in said

notice, the significant industrial user shall submit to the District Manager evidence of the satisfactory correction of the violation or a plan to correct the same.

**CHAPTER 14 - WATER AND WASTEWATER SERVICE LINES,
FIRELINES AND CONNECTIONS**

14-1 **PERMIT REQUIRED**

No unauthorized persons shall uncover, make any connection with or opening into, use, alter, repair, extend, or otherwise disturb any water or wastewater service line, fireline, any connection of a water service line, fireline, or combination thereof with the Water System or the Wastewater System, or any appurtenances thereto without first:

- (1) Having on file at the District office a valid plumbing contractor's license or a public contractor's license; only persons with a plumbing contractor's license may perform the above work on private property, including connection at the curb stop or property line.
- (2) Having on file in the office of the District a good and sufficient surety bond and certificate of public liability insurance;
- (3) Obtaining any required excavation permits for excavating in public rights-of-way;
- (4) Paying to the Secretary any applicable connection charges, construction fees, and/or system development fees;
- (5) Obtaining a written service line installation permit and paying to the Secretary the appropriate permit fees adopted under Sections 8 and 9.
- (6) Complying with all other local, State or federal laws pertaining to:
 - (a) The installation of water or wastewater service lines, firelines and appurtenances;
 - (b) The making of connections to public water mains or sanitary sewers;
 - (c) The making of repairs, alterations, or extensions to such facilities, or
 - (d) When appropriate, any work involved in making excavations in public rights-of-way or District easements.

Public contractors will not be subject to the permit requirements set forth in this section when stubbing-out service lines, firelines, or combinations thereof in conjunction with public construction projects which have been previously approved in writing for construction by the District.

14-2 APPLICATIONS AND FEES

Persons desiring to obtain a service line installation permit shall make application to the District on a special form furnished for this purpose by the District. The permit application shall be supplemented by any plans, specifications, or other information considered pertinent. The appropriate permit and inspection fees adopted under Section 8 shall be paid by the applicant to the Secretary at the time the application for a service line installation permit is filed with the District.

14-3 CONNECTION, CONSTRUCTION, AND DEVELOPMENT CHARGES

Any applicable connection charges, connection fees, and/or system development fees assessed against the property to be served pursuant to provisions of ordinances and/or resolutions approved by the Board of Directors shall be paid to the District at the time the service line installation permit application is filed with the District.

14-4 BOND AND LIABILITY INSURANCE

Persons who contract to make connections to the Water System or the Wastewater System, or to install service lines, firelines, appurtenances, or combinations thereof, or to make repairs, alterations, or extensions to such facilities, shall file with the District a bond in such amount as deemed appropriate by the District. Said bond shall be in a form approved by the District Attorney and shall indemnify and hold the District harmless from any loss or damage that may directly or indirectly be occasioned by the installation, repair, alteration, or extension of such service lines, appurtenances, firelines, or the connection of same with public utilities; and that he/she will restore the streets, sidewalks and pavements over pipe he/she may lay, and fill all excavations made by him/her so as to leave such streets, sidewalks and pavements in as good condition as he/she found them. In addition, said persons shall file with the District a certificate of public liability insurance in an amount acceptable to the District. Said certificate shall be in a form approved by the District Attorney and shall be conditioned to hold the District harmless from any damage or injury whatsoever to any person or property of any description, however owned, by reasons of any work performed in making connections with public water mains and sanitary sewers, installing service lines, appurtenances, or firelines, or making repairs, alterations, or extensions to such facilities. Said persons may furnish a yearly bond and insurance certificate conditioned as herein above set forth.

14-5 GUARANTEE

Persons who contract to make connections to the Water System or the Wastewater System, or install service lines, firelines, appurtenances, or combinations thereof, or to make repairs, alterations, or extensions to such facilities, shall guarantee all materials and equipment furnished and work performed for a period of one year from the date of completion of said work. Said persons warrant and guarantee for a period of one year from the date of completion of the work that said completed work is free from all defects due to faulty materials or workmanship and such persons shall promptly make such corrections as may be necessary by reason of such defects, including the repairs of any damages to the public utilities resulting from such defects.

The District shall give notice of observed defects with reasonable promptness. In the event the persons performing such work should fail to make such repairs, adjustments or other work that may be made necessary by such defects, the District may make arrangements for the performance of such work by others and charge such persons the cost thereby incurred. This express warranty and guarantee shall not be construed to deny the District or any other affected person the right to make claim on any applicable warranty implied by law.

14-6 INSTALLATION, OWNERSHIP, AND MAINTENANCE

Water and wastewater service lines, appurtenances, and firelines are owned by the owner of the property served. Said owner shall keep their service lines, firelines, and appurtenances in good repair and condition at all times and, in addition to any other penalties, if not repaired within 10 days after receipt of notice by the District to do so, service to the property involved may be discontinued. Except as otherwise provided herein this ordinance, all costs and expenses incidental to the installation of service lines, appurtenances, firelines, or making connections of same with the public utilities, or making repairs, alterations, or extensions to such facilities, shall be borne by the owners of said facilities. Service lines, firelines, and appurtenances are non-transferable and shall run with the property originally served by said facilities.

14-7 UNDERGROUND DISTRICT INFORMATION

MCA Section 69-4-501 through 69-4-506, as amended, sets forth certain procedures for obtaining information concerning underground utilities prior to making or beginning any excavation in any public street, alley, District easement, or right-of-way dedicated to the public use. Said sections also set forth penalties for failure to comply with the provisions of statutes when making connections to the Water System or the Wastewater or installing service lines, appurtenances, firelines or making repairs, alterations, or extensions to such facilities. All persons who contract to make connections to the Water System or the Wastewater System, or install service lines, fire lines, appurtenances, or combination thereof, or to make repairs, alterations or extensions to sewer facilities shall comply with these statutes.

14-8 EXCAVATIONS

Persons opening up, digging into, excavating, or tunneling in any public right-of-way or District easement for the purpose of making connections to the Water System or the Wastewater System or to install service lines, firelines, or appurtenances, or to make repairs, alterations, or extensions to such facilities shall prior to performing such work obtain in writing at their expense all necessary approvals, permits, licenses, surety bonds, and/or public liability insurance certificates that may be required by the agency or person having jurisdiction and control over such public rights-of-way or District easements.

Permits for excavating within public rights-of-way under the jurisdiction and control of the District may be obtained from the District. Information concerning permits for excavating within public rights-of-way under the jurisdiction and control of County and the State may be obtained by contacting the County Road Department and the Montana Department of Transportation, respectively. In any case, streets, sidewalks, parkways, and any other public property disturbed

in the course of the work shall be restored in a manner satisfactory to the public authority having jurisdiction and control over such public property.

14-9 TRAFFIC CONTROL AND CONSTRUCTION SIGNING

When working within public rights-of-way or District easements, persons making connections to the Water System or the Wastewater, or installing service lines, firelines, or appurtenances, or making repairs, alterations, or extensions to such facilities shall comply with the traffic control and construction signing standards of the agency having jurisdiction and control over the rights-of-way and District easements involved. In any case, all excavations shall be adequately guarded with barricades and lights so as to protect the public from hazard.

14-10 ARRANGEMENT AND LOCATION

Separate and independent water and sewer service lines shall be provided for each individual building or living unit under separate ownership. Water and wastewater service lines shall be connected to the Water System or the Wastewater System located within the public right-of-way abutting and fronting the property to be served and within the limits of said property's frontage on the right-of-way involved. In addition, whenever possible, the service lines shall be installed perpendicular to the public right-of-way containing the the Water System or the Wastewater System. In any case, the location and arrangement of all service lines shall be approved by the District prior to construction of such facilities.

14-11 MULTIPLE BUILDING SERVICE AGREEMENTS

In the event it is determined by the District that it is impractical to construct an independent and separate service line, or fireline to serve each building or a group of buildings, such as mobile home courts, planned unit developments, and large commercial or industrial establishments, which are located on a single parcel of land under ownership by a single entity, then in that event the District may allow more than one separate building to be served by a single service line.

14-12 MINIMUM DIAMETER OF WATER SERVICE LINES

The minimum diameter of water service lines to be installed to serve any property shall be 3/4 inch and the minimum diameter of firelines shall be 1-1/4 inch. In new subdivision extensions, however, the minimum diameter for water service lines shall be one inch. Water service lines shall be installed with a minimum number of joints and be of uniform diameter from the public water main in the public right-of-way to the District water meter. Firelines shall be of uniform diameter from the public water main in the public right-of-way to the property line of the property to be served. In any case, the diameter of water service lines, firelines, or combinations thereof shall be subject to the approval of the District Manager and shall be based on the criteria stated in Appendix A of the Uniform Plumbing Code.

14-13 SIZE AND SLOPE OF SEWER SERVICES

The size and slope of the wastewater service lines shall be subject to the approval of the District but in no event shall the diameter be less than 6 inches. The slope of the wastewater service line shall not be less than 1/8 inch per foot and, whenever possible, 1/4 inch per foot.

14-14 DEPTH OF WATER LINES

To prevent freezing, water service lines, firelines, or combinations thereof shall be laid 7 feet below the street surface or top of grade. Where existing conditions do not allow minimum cover requirements, engineered insulation may be placed above the waterline to prevent freezing.

14-15 DEPTH OF SEWER SERVICES

Whenever possible, the building sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to within three feet (3') of a weight bearing wall. In all buildings in which any building drain is too low to permit gravity flow to the public sanitary sewer, wastewater carried by such building drain shall be lifted by an approved means and discharge to the building sewer. Person installing basements with floor drains must contact the District for information concerning the depth of the public sanitary sewer prior to commencing construction of such basements. In addition, it is recommended that users install, as well as periodically inspect and maintain, a one-way valve in their building drain for the purpose of preventing the backing-up of wastewater into their buildings in the event a stoppage occurs in the building sewer and/or the public sanitary sewer serving the user's property.

14-16 MATERIALS AND METHODS OF CONSTRUCTION

The materials and methods of construction used in the installation of water and wastewater service lines, firelines, and appurtenances, their connection with the the Water System or the Wastewater; and the repair, alteration, or extension of such facilities shall all conform to the requirements of the MPWSS with the exception that no PVC or polyethylene pipe shall be used on waterlines. In addition, all joints and connections of the water service line or fireline, including their connection with the public water main, shall be watertight and sustain a pressure of not less than two hundred (200) pounds. All joints and connections of the wastewater service line must be gas tight and watertight. Traffic control and construction signing, trench excavation, backfilling, compaction, and surface restoration shall all comply with the requirements of the MPWSS and the agency having jurisdiction and control over the rights-of- way and District easements affected by such work.

14-17 CURB VALVE

A separate and easily accessible curb valve and cast iron curb box meeting the requirements of the MPWSS shall be installed at or near the property line on each water service line, or combination thereof at the expense of the customer requesting such water service line, fireline, or combination thereof. The specific location and arrangement of the curb valve and curb box on the water service line, fireline, or combination thereof shall be as designated and approved by the District. Customer shall keep their curb valves and curb boxes in good repair and condition at all times, and failure to do so shall be just cause to discontinue water service to the property

involved, as provided for under Section 3-8. Furthermore, if the customer fails to repair the curb valve or curb box after being given 30 days written notice of its disrepair, the District may repair the curb valve and curb box at the customer's expense.

14-18 POINT OF CONNECTION TO WATER SYSTEM

The point of connection of a water service line, fireline, or combination thereof with the Water System shall be determined and approved by the District prior to making such connection. In the event a water service line, fireline, or combination thereof has previously been stubbed to the property line of the property to be served, then in that case the connection shall be made to the stubbed-out water service line, fireline, or combination thereof in order to provide the required service to said property.

14-19 POINT OF CONNECTION TO WASTEWATER SYSTEM

The connection of the wastewater service line with the Wastewater System shall be made at the wye or tee branch installed to serve the property involved. In the event there is no record on file at the District of a wye or tee branch for the property to be served, or if there is no wye or tee branch available within five (5) feet from either side of the location given by the District for said wye or tee branch, the person installing the wastewater service line may be permitted by the District to tap the public sanitary sewer and install an approved sewer pipe saddle. The tapping of the public sanitary sewer and the installation of the sewer pipe saddle, as well as any work appurtenant thereto, shall be subject to the approval of the District Manager and shall be at the expense of the installing contractor. The tapping of a public sanitary sewer having a diameter greater than 12 inches shall be installed only after receiving special written permission from the District Manager to do so and then only in full compliance with such methods and procedures the District Manager may prescribe. In no case shall wastewater service lines having a diameter or less than 8 inches be connected to any manholes located on the public sanitary sewer.

14-20 INSPECTION AND TAPPING NOTIFICATION

Applicants for water and wastewater service line installation permits shall notify the District forth eight (48) hours in advance of when the facilities authorized to be installed by the permit are ready for inspection and/or connection to the District systems. Upon such notification, the District shall, whenever possible, schedule the inspection and, if necessary, the tapping of the District system on or before the next regular working day for the District immediately following such notification. No inspections or taps will be made after regular working hours, on Saturdays, Sundays, or District holidays. Persons requesting an inspection shall be ready to have the inspection at the time designated by the District.

14-21 DAMAGE TO WATER SYSTEM AND/OR WASTEWATER SYSTEM

The person installing water or wastewater service lines, firelines, or appurtenances, or making connections to the Water System or the Wastewater System, or making repairs, alterations, or extensions to such facilities shall cause to be immediately repaired at his/her expense any damage

Any person damaging or defacing a public fire hydrant shall be responsible to the District for the repair of such damage.

15-6 PAINING OF PUBLIC FIRE HYDRANTS

The painting of public fire hydrants shall be accomplished only by employees of the District or individuals authorized to do so by the District. All public fire hydrants shall be painted using the District's standard color scheme.

15-7 PRIVATE FIRE HYDRANTS

Private fire hydrants are owned by the customer. The costs of installing, operating, maintaining, and replacing such hydrants shall be at the expense of the customer. Customer shall pay to the District the rates in accordance with the District's approved rate schedules.

to the Water System or the Wastewater System public water main occasioned by his/her operations.

14-22 KEEPING SEWERS CLEAN

During the course of his/her operation, a person installing wastewater service lines and appurtenances, or making connections to the the Wastewater System, or making repairs, alterations or extensions to such facilities shall not allow any ground water, surface water, mud, gravel, sand, rock, septage, or other similar type materials to enter the Wastewater System. Any foreign material which accidentally enters the Wastewater System shall be immediately removed by such person at his/her expense. In addition, said persons shall become liable to the District for any expense, loss or damage occasioned to the District by reason of his/her failure to prevent foreign material from entering the the Wastewater System.

14-23 PROTECTIVE DEVICES FOR WATER SYSTEM

When it is deemed by the District Manager that such protective devices are necessary to protect another customer's facilities and/or the Water System, the District may require a customer to install, as a condition of continued water service and at the customer's expense, an approved expansion tank, pressure reducing valve, backflow prevention device, pressure relief valve, or any other similar type device on customer's water service line at a location designated by the water superintendent. Customer shall be responsible for keeping such protective devices in good repair and effective operating condition at all times, and failure to do so shall be just cause to discontinue water service to the property involved.

14-24 FIRELINES

Firelines shall be applied for and installed in compliance with the appropriate requirements of this chapter, and, in addition, they shall comply with the District's standards of design and construction for firelines.

A fireline shall not be interconnected with domestic service pipes downstream of the curb valve, and each fireline shall have its own independent curb valve, which be located at or near the water main in the street at a point designated by the District.

Water shall be drawn by a customer from firelines for fire protection purposes only. Customer's found by the District to be using water from firelines for other than fire protection purposes may have all their water service immediately discontinued by the District until such time as the customer, at his/her expense, installs metering equipment meeting the District's specifications on said firelines. In the event the District turns off a customer's fireline because of non-payment of water bills or non-compliance with these regulations, the District shall immediately notify the appropriate Fire Department of said turnoff.

All firelines which connect to the District water supply system shall have approved backflow prevention devices installed on same to prevent backflow into such system. In addition, fireline loops connecting with the District water supply system at more than one location shall have

approved check valves installed on the fireline loops to prevent circulation of water through customer's firelines into the District water supply system.

14-25 INADMISSIBLE WASTES

It is unlawful to discharge or cause to be discharged into the wastewater system any industrial wastes; radioactive wastes; corrosive wastes; explosive mixtures; unpolluted waters; petroleum oils; mineral oils; non-biodegradable cutting oils; chemical wastes; toxic or poisonous substances; floatable fats, wax and grease; solid or viscous wastes, such as but not limited to mud, sand or gravel; or any other wastes or substances prohibited from being discharged into the Wastewater System by existing District ordinances and regulations, or as same may be lawfully amended from time to time by the Board of Directors.

CHAPTER 15 - FIRE HYDRANTS

15-1 PUBLIC FIRE HYDRANTS

All water use from fire hydrants for purposes other than fighting fires or training of fire fighting personnel shall be metered and all costs associated with said use shall be paid for in accordance with Chapter 8 and 9 of this ordinance.

15-2 OPERATION OF PUBLIC FIRE HYDRANTS

No person, other than a member of the Fire Department or authorized District employees, shall open or operate any public fire hydrant without permission of the District.

15-3 RELOCATION OF PUBLIC FIRE HYDRANTS

Fire hydrant installations shall be deemed permanent after they are once installed. Requests for the District to relocate fire hydrants shall be considered only in the event the expenses of relocating the fire hydrants will be borne by the individual or entity requesting the relocation.

15-4 OBSTRUCTING PUBLIC FIRE HYDRANTS

No person shall obstruct access to public fire hydrants by constructing fences or other structures or by piling snow within fifteen (15) feet of a hydrant in such a manner as to prevent ready access to the public fire hydrants. In addition, no person shall plant trees, shrubs, bushes, or other plantings in such a manner as to prevent ready access to the public fire hydrants. Further, no person shall change the ground surface level in and around a public fire hydrant so as to render the hydrant inaccessible and/or inoperable. Any person found in violation of this particular regulation shall be given written notice to remove such obstruction at his/her expense and if such violation is not corrected by the person involved within 10 days from receipt of written notice, the water supply to said person's property shall be turned off by the District.

15-5 DAMAGES TO PUBLIC FIRE HYDRANTS

CHAPTER 16 - REFERENCES

The following are code References used throughout these Rules and Regulations.

1. Annual Book ASTM Standards, Published by ASTM, 1916 Race Street, Philadelphia, PA 19103-1187. Telephone (215) 299-5400.
2. CFR; Code of Federal Regulations, Published by the Office of the Federal Register, National Archives and Records Administration as a Special Edition of the Federal Register. For sale by the U.S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, D.C. 20402-9328. Also available on the Internet.
3. MCA; Montana Code Annotated, Published by the Montana Legislative Services Division, Room 138, State Capitol Building, Helena, Montana 59620. Telephone (406) 444-3064. Also available on the Internet.
4. Methods for Chemical Analysis of Water and Wastes, Published by the U.S. Environmental Protection Agency. Also available on the Internet.
5. MPWSS; Montana Public Works Standard Specifications, Most Recent Edition, January 1996. Distributed by: Montana Contractors' Association, Inc., 1717 11th Avenue, P.O. Box 4519, Helena, MT 59604. Telephone (406) 442-4162, fax (406) 449-3199.
6. Standard Methods for the Examination of Water and Wastewater. Published by American Public Health Association, 1015 Fifteenth Street, NW, Washington, D.C. 20005.
7. UPC; Uniform Plumbing Code; Most Recent Edition, Published by the International Association of Plumbing and Mechanical Officials, 20001 Walnut Drive South, Walnut, CA 91789-2825.

Cotenancy Agreement

This Agreement is entered into and effective as of this _____ day of _____, 20___, by and between Utility Solutions, LLC, a Montana limited liability company with its principal place of business located in Gallatin County, Montana ("US") and the Four Corners County Water and Sewer District, a political subdivision of the State of Montana located in Gallatin County, Montana (" the District").

Recitals

Whereas US and the District are the owners of the undivided interests in and to various real and personal properties used to pump, treat, and distribute a water and a water supply for and to various domestic, municipal, commercial, and industrial users;

Whereas US and the District also own in severalty various real and personal properties used to pump, treat, and distribute a water and a water supply for and to various domestic, municipal, commercial, and industrial users;

Whereas US and the District are the owners of the undivided interests in and to various real and personal properties used to collect, treat, and discharge sewage and other wastewater from domestic, municipal, commercial, and industrial users;

Whereas US and the District also own in severalty various real and personal properties used to collect, treat, and discharge sewage and other wastewater from domestic, municipal, commercial, and industrial users;

Whereas the District has been created in accordance with MCA 7-13-2201 *et. seq.* as a political subdivision and a municipal corporation of the State of Montana, with jurisdictional boundaries that include properties in the Four Corners Area of Gallatin County, Montana;

Whereas the District was formed, *inter alia*, to provide a water supply and wastewater treatment for the properties within its jurisdictional boundaries;

Whereas US is a Montana limited liability company in the business of developing, owning, and maintaining those facilities and systems required to provide a water and a water supply for various domestic, municipal, commercial, and industrial users, together with the collection, treatment, and discharge of sewage and other wastewater from such users, all pursuant to applicable provisions of federal, state, and local law;

Whereas US and the District wish to enter into an agreement setting and forth and specifying the parties' respective rights, privileges, duties, and responsibilities in the ownership, maintenance, repair, expansion, and use of those facilities and systems in which they each hold undivided interests, and that otherwise protects and confirms the

parties' ownership and use of all those additional real and personal properties that they own in severalty;

NOW THEREFORE, in consideration of the mutual covenants, provisions, and agreements set forth herein, the parties agree as follows:

1. **Confirmation of Recitals.** The Recitals set forth herein are true and accurate.
2. **Definitions.** As used in this Agreement, the following terms shall have the designated meanings.

A. Definitions of Specific Terms.

"Agreement" means this Cotenancy Agreement between US and the District, as amended from time to time.

"Capital Repairs and Replacements" shall mean all those capital repairs, capital improvements, and/or capital replacements made to any of the Water and Wastewater System. Capital repairs, improvements and/or replacements shall be distinguished from Operating Expenses in accordance with generally accepted accounting principles.

"Cotenancy Capital" means that account maintained to hold and invest the Cotenancy Contributions required by the terms of this Agreement, comprised of a Capital Water Account and a Capital Wastewater Account.

"Cotenancy Contribution" means the total amount of cash contributed to Cotenancy Capital by each Party as required by the terms of this Agreement.

"Cotenancy Property" means all that real and personal property set forth and described in that certain quitclaim deed recorded as Document No. _____ in the records of Gallatin County, Montana, and those Bills of Sale attached hereto as Exhibit A, all as further defined in Section 3 hereof;

"Cotenancy Interest" refers to all of a Party's rights and interests in the Cotenancy Property, as determined in accordance with the percentage undivided interest set forth for any Cotenancy Property in that certain quitclaim deed recorded as Document No. _____ in the records of Gallatin County, Montana and those Bills of Sale attached hereto as Exhibit A; and as determined in accordance with the terms and conditions of this Agreement;

"District Water Supply Capacity" means that portion of the Water Supply Capacity that does not exceed _____ gpm of average daily flow, and that does not exceed a

peak instantaneous flow of _____ gpm.

“District Wastewater Capacity” means that portion of the Wastewater Treatment Capacity that does not exceed _____ gallons of average daily flow.

“Participating Wastewater Interest” means the respective interests of the Parties in the Wastewater System as determined by the percentage that the District Wastewater Capacity bears to the Wastewater Treatment Capacity, with the remaining percentile interest assigned to US.

“Participating Water Interest” means the respective interests of the Parties in the Water System as determined by the percentage that the District Water Supply Capacity bears to the Water Supply Capacity, with the remaining percentile interest assigned to US.

"Parties " means US and the District, and their successors and assigns as provided for herein;

“Operating Expenses” means the aggregate of the Operating Wastewater System Expenses and the Operating Water System Expenses.

"Operating Wastewater System Expenses" means, with respect to any fiscal period, (i) the amount of cash disbursed in such period in order to operate the Wastewater Treatment System and to pay expenses (including, without limitation, management fees, taxes, insurance, interest payments, and all other costs and expenses except for Capital Repairs and Replacements) incident to the ownership or maintenance of the Wastewater Treatment System and (ii) amounts set aside for such period to maintain an adequate level of reserves and working capital.

"Operating Water System Expenses" means, with respect to any fiscal period, (i) the amount of cash disbursed in such period in order to operate the Water System and to pay expenses (including, without limitation, management fees, taxes, insurance, interest payments, and all other costs and expenses except for Capital Repairs and Replacements) incident to the ownership or maintenance of the Water System and (ii) amounts set aside for such period to maintain an adequate level of reserves and working capital.

"Person" means any individual, partnership, limited liability company, corporation, cooperative, trust or other entity.

“US Water Supply Capacity” means the Water Supply Capacity, as reduced by requirements for a water and water supply at any given time under the District Water Capacity, but in no event less than _____ gpm of average daily flow, as increased by any improvements that may hereafter be made to the Water and Wastewater System that increases its Water Supply Capacity.

"US Wastewater Capacity" means the Wastewater Treatment Capacity, as reduced by requirements for a the collection, treatment, and disposal at any given time under the District Wastewater Treatment Capacity, but in no event less than _____ gallons of average daily flow, as increased by any improvements that may hereafter be made to the Water and Wastewater System that increases its Wastewater Treatment Capacity.

"Wastewater System" means all the Cotenancy Property that is used and useful for the collection, treatment, and discharge of sewage and other wastewater.

"Water System" means all the Cotenancy Property that is used and useful for the withdrawal, treatment, and distribution of a water and water supply for domestic, municipal, commercial, and industrial purposes.

"Water and Wastewater System" means the aggregate of the Water System and the Wastewater System.

"Water Supply Capacity" means the capacity of the Water and Wastewater System operating in accordance with its design and with all components thereof fully functional, to supply a water and water supply, as such capacity may be determined from time to time in accordance with Department of Environmental Quality Circular No. 1, as it may exist from time to time.

"Wastewater Treatment Capacity" means the capacity of the Water and Wastewater System operating in accordance with its design and with all components thereof fully function, to collect, treat, and discharge sewage and other wastewater, as such capacity may be determined from time to time in accordance with Department of Environmental Quality Circular No. 2, as it may exist from time to time.

B. Other Definitional Provisions.

(a) As used in this Agreement, accounting terms not defined in this Agreement, and accounting terms partly defined to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

3. Confirmation of Ownership. The Parties shall have those undivided interests in and to all that real property set forth and specified in that certain quitclaim deed recorded as Document No. ____ in the records of Gallatin County, Montana. The Cotenancy Interest of

each Party shall include the specified undivided interest for those fixtures and improvements erected on or under the real property as of the time of the acquisition of that real property as set forth in the effective date of the quitclaim deed, as those fixtures and improvements are further described and specified on Exhibit B hereto, together with all capital repairs and replacements and other improvements made to such fixtures or improvements hereafter. The Parties shall also have those undivided interests in and to all that personal property as set forth and specified on Exhibit A hereto, and all other personal property acquired with the use of Cotenancy Capital to replace that property or operate and maintain the Water and Wastewater System. No other property except as set forth in this paragraph is owned by the Parties in co-ownership of any sort, including but not limited to any tenancy in partnership.

Notwithstanding the terms of this Section, the Cotenancy Interest of the District shall not at any time include any part of the Water and Wastewater System that exceeds the District Water Supply Capacity and the District Wastewater Capacity, and all of the Water and Wastewater System, as presently constituted or as hereinafter improved, expanded, or enlarged that are not required to provide the District Water Supply Capacity and the District Wastewater Capacity shall be exclusively part of the Cotenancy Interest of US.

4. **Expansion of Water and Wastewater System.** US at any time may design, install, construct, or otherwise improve the Water System and/or the Wastewater System such that the Water Capacity and the Wastewater Treatment Capacity are increased over those capacities that existed on the effective date of this Agreement. All such improvements shall be designed, constructed, or otherwise installed in accordance with all federal, state, and local laws. In the event of any such increases in capacity, US shall be exclusively entitled to the use of all such additional capacity, and the Participating Interests of the Parties shall be redetermined in accordance with the increased Water Supply Capacity and the increased Wastewater Treatment Capacity.

5. **Operation and Management of Cotenancy Property.** The Cotenancy Property shall be operated and maintained by the Parties in accordance with terms of this Section, and except as expressly provided for in this Section, the Cotenants shall make all decisions affecting the Cotenancy Property or the applicable part thereof by a vote weighted and based on the amount of their Participating Interest in and to the Water System and the Wastewater System that is affected by that decision. Where it cannot be determined whether any particular matter affects only the Water System or only the Wastewater System, or where a matter affects both Systems, then and in that event the decision shall be by a vote weighted and based on the amount of the Parties' Participating Interest in and to the Wastewater System.

A. Meetings. The Parties shall meet in December and June of each year, and at such other additional times as they may determine is appropriate to:

- (1) select and engage an accountant, engineer or other professional advisor that the Parties may deem appropriate for the proper operation, management, and repair of the Cotenancy Property and the Water System and the Wastewater System located thereon in accordance with the terms of this Agreement;

(2) prepare and confirm a budget at each December meeting for the Operating Water System Expenses and a budget for the Operating Wastewater System Expenses, each of which shall provide for the payment of all operating expenses for each such system and in the aggregate for the Operating Expenses, and provide in said budget for each Party's contributions for said Expenses as determined in accordance with this Agreement, and to thereafter update such budgets as may be required to pay all the actual Operating Expenses of the operation of the Water and Wastewater System;

(3) prepare and confirm a budget at each December meeting for the Capital Repairs and Replacements for the Water System and the Capital Repairs and Replacements for the Wastewater System, each of which shall provide for the payment of all costs of Capital Repairs and Replacements for the next ensuing year, and provide in said budget for each Party's contributions for said costs as determined in accordance with this Agreement, and to thereafter update such budgets as may be required to pay all the actual costs of the Capital Repairs and Replacements actually undertaken in any year;

(4) prepare and confirm a five year budget at each December meeting for the anticipated Capital Repairs and Replacements for the Water System and the Capital Repairs and Replacements for the Wastewater System for the next ensuing five years,

(5) enter into contracts with third parties to carry out the duties herein set forth;

(6) establish bank accounts for and to keep therein all of the funds contributed by the Parties in accordance with Section 6 hereof, and separately account for contributions and withdrawals from the Capital Supply Account and the Capital Wastewater Account, and temporarily invest such funds in short term investments where there is appropriate safety of principal;

(7) prepare and confirm at least once annually, as soon as practicable after the end of each calendar year, such financial reports as are required to accurately depict the then current finances for operating and maintaining the Cotenancy Property and the Water System and Wastewater System, prepared in accordance with generally accepted accounting principles;

(8) prepare and confirm at least once annually such financial reports, as soon as practicable after the end of each calendar year, as are required to accurately depict the income and expenses, and all the costs for Capital Repairs and Replacements, of the Cotenancy Property and the Water System

and Wastewater System, prepared in accordance with generally accepted accounting principles. Where the records or circumstances are insufficient to determine whether any particular charge, expense, or cost should be charged to the Water System or the Wastewater System, or where any single charge, expense or cost was incurred for both, such charge, expense, or cost shall be debited to the Wastewater System account;

- (9) address such matters as the Manager recommends action upon;
- (10) in general, to act for and carry on the administration and affairs of the Cotenancy Property and the Water System and Wastewater System thereon in accordance with the terms of this Agreement

B. Retention of Manager. The Parties shall retain or engage a manager, mutually acceptable to both Parties, with suitable experience in the operation and maintenance of public water supply systems and public wastewater treatment and disposal, and upon such terms and conditions that the Parties may deem appropriate, to operate and maintain the Cotenancy Property and the Water System and Wastewater System thereon, provided that any such manager shall serve at the pleasure of each of the Parties, and said Manager may be discharged with or without cause from the status of manager at any time by either party. In that event, the Parties shall meet to appoint or retain a substitute or additional manager. The manager shall be deemed an agent of each of the Cotenants in accordance with the authority set forth in this subparagraph. The manager shall:

- (1) Prepare by December 1st of every year a proposed budget for the next ensuing year for the operation and maintenance of the Water System, and submit that budget to the Parties. The budget shall include the past fiscal year receipts and expenditures, and the anticipated expenditures for the coming fiscal year for the operation and maintenance of the Water System, together with the manager's recommendations for appropriate reserves;
- (2) Prepare by December 1st of every year a proposed budget for the next ensuing year for the Capital Repairs and Replacements to the Water System, and submit that budget to the Parties. The budget shall include the past fiscal year receipts and expenditures for such repairs and replacements, and the anticipated expenditures for the coming fiscal year for such capital repairs and replacements to the Water System, together with the manager's recommendations for appropriate reserves;
- (3) Prepare by December 1st of every year a five-year plan for anticipated Capital Repairs and Replacements to the Water System, together with the anticipated costs of such capital repairs and replacements;

(4) Prepare by December 1st of every year a proposed budget for the next ensuing year for the operation and maintenance of the Wastewater System, and submit that budget to the Parties. The budget shall include the past fiscal year receipts and expenditures, and the anticipated expenditures for the coming fiscal year for the operation and maintenance of the Wastewater System, together with the manager's recommendations for appropriate reserves;

(5) Prepare by December 1st of every year a proposed budget for the next ensuing year for the Capital Repairs and Replacements to the Wastewater System, and submit that budget to the Parties. The budget shall include the past fiscal year receipts and expenditures for such repairs and replacements, and the anticipated expenditures for the coming fiscal year for such capital repairs and replacements to the Wastewater System, together with the manager's recommendations for appropriate reserves;

(6) Prepare by December 1st of every year a five-year plan for anticipated Capital Repairs and Replacements to the Wastewater System, together with the anticipated costs of such capital repairs and replacements;

(7) Operate and maintain the Cotenancy Property to provide a water and water supply city in accordance with all applicable federal, state and local laws so as to provide the District Water Supply Capacity and the US Water Supply Capacity;

(8) Operate and maintain the Cotenancy Property to provide for the collection, treatment, and discharge of sewage and other wastewater in accordance with all applicable federal, state and local laws so as to provide the District Water Treatment Capacity and the US Water Treatment Capacity;

(9) In the ordinary course of business, acquire by purchase, lease or otherwise, any personal property which may be necessary, convenient or incidental to the operation and maintenance of the Cotenancy Property and the Water Supply system and the Wastewater System thereon in accordance with this Section;

(10) To approve payment vouchers for the expenses of the maintenance, repair and upkeep of the Cotenancy Property and the Water System and the Wastewater System thereon, so long as such payments do not exceed the amounts approved by the Parties in the budget for the fiscal year of payment or those additional amounts made available pursuant to Section 6 hereof;

(11) To make or cause to be made those Capital Repairs and Replacements approved by the Parties in the budget for such fiscal year, or as otherwise approved in accordance with Section 6 hereof;

(12) To negotiate, execute and perform all agreements, and exercise all rights and remedies thereunder, in connection with the foregoing;

(13) To monitor the receipts and expenditures for the operation and maintenance of the Water System, and the receipts and expenditures for approved Capital Repairs and Replacements to that System, and whenever the Capital Water Account is insufficient to pay the actual costs thereof as they become due, to notify the Parties of the additional contributions required to the Capital Water Account (hereinafter referred to as "Manager's Call for Contributions");

(14) To monitor the receipts and expenditures for the operation and maintenance of the Wastewater System, and the receipts and expenditures for approved Capital Repairs and Replacements to that System, and whenever the Capital Wastewater Account is insufficient to pay the actual costs thereof as they become due, to notify the Parties of the additional contributions required to the Capital Wastewater Account (hereinafter referred to as "Manager's Call for Contributions");

(15) To carry out the directions and duties delegated by the Parties jointly;

(16) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of providing a water and water supply and the collection, treatment, and discharge and sewage and other wastewater in accordance with this Agreement;

C. Standards of Operation and Maintenance. The Cotenancy Property and the Water System and Wastewater System thereon shall be operated and maintained in accordance with the following standards:

1. A water and water supply in amounts equal to the Water Supply Capacity shall be made available on a continuous basis insofar as practicable and in accordance with all federal, state, and local laws, and in accordance with the Parties' respective entitlements thereto as determined by the District Water Supply Capacity and the US Water Supply Capacity.

2. Sewage and other wastewater collection, treatment, and discharge in amounts equal to the Wastewater Treatment Capacity shall be made available on a continuous basis insofar as practicable and in accordance with all federal, state and local laws, and in accordance with the Parties' respective entitlements thereto as determined by the District Wastewater Treatment Capacity and the US Wastewater Treatment Capacity.

3. Capital repairs and replacements to all or any part of the Water and

Wastewater System shall be made where the cost of designing, procuring, testing, constructing, building, and installing any such capital repairs and replacements is at least 10% less than then present day cost of operation and maintaining that component of the Water and Wastewater System without such capital repairs and/or replacements, or where such repairs and replacements are reasonably required in order to provide for those Capacities set forth in subparagraph 1. and 2. hereof.

4. A water and water supply shall be maintained at such levels at with such treatment as may be required by any Facility Plan under which the Water and Wastewater System was constructed, and in accordance with the provisions of MCA 75-6-101 et. seq, as these provisions may be amended from time to time.

5. Sewage and other wastewater collection, treatment, and discharge shall be maintained in such amounts and with such treatment as may be required by any Facility Plan under which the Water and Wastewater System was constructed, and in accordance with all discharge permits that have been issued or that may hereafter by issued by the DEQ for the Wastewater System pursuant to MCA 75-5-101 et. seq., as these provisions may be amended from time to time, and in accordance with all requirements of MCA 75-6-101 et. seq, as these provisions may be amended from time to time.

6. A water and water supply shall be maintained in such amounts, at such pressures, and with such treatment as would be required of any public utility under MCA 69-3-201 to provide reasonably adequate service and facilities.

7. Sewage and other wastewater collection, treatment, and discharge shall be maintained in such amounts and with such treatment as may be required of any public utility under MCA 69-3-201 to provide reasonably adequate service and facilities.

6. **Funding for Operating Expenses and Capital Repairs and Replacements.** The Parties shall each make the Cotenancy Contributions into the Cotenancy Capital Account as set forth in this Section so as to provide for all the actual and necessary expenses of operating and maintaining the Water Supply System and the Wastewater Treatment System, and all the costs of Capital Repairs and Replacements to either or both of the systems.

A. **Water System.** Each Party shall contribute in cash for deposit into the Capital Water Account an amount equal to its allocated part of the Operating Water System Expense and its allocated part of the cost of Capital Repairs and

Replacements to the Water System as set forth in this paragraph.

1. **Initial Contribution.** On the effective date of this Agreement, each Party shall contribute to the Capital Water Account an amount equal to the Participating Interest of the Party in the Water Supply System as multiplied by 150% of the actual Operating Water System Expenses of the Water Supply System in the last complete calendar year as determined in accordance with the financial records of US, as adjusted for the number of whole and partial months that remain in the year of the effective date of this Agreement.

2. **Regular Contributions.** As soon as practicable after the effective date of this Agreement, each Party shall install or cause to be installed water meters that are capable of recording the aggregate volume of water distributed to each of the Parties. Any such meter shall have measurement of not more than 3%, and each Party shall allow the other Party access to its meter for the testing and inspection thereof at the expense and cost of the inspecting party. Any meter not accurately recording the volume of water distributed at the point of measurement shall be promptly repaired or replaced at the cost and expense of the metering Party.

For the first full calendar year after the effective date of this Agreement, each Party shall contribute to the Capital Water Account an amount equal to that Party's Participating Interest in the Water System as multiplied by the budgeted amount for the Operating Water System Expenses, or in the event no budgeted amount exists, the operation and maintenance expenses for the prior year. One-half of each Party's contribution shall be paid into the Capital Water Account by January 1st and one-half shall be paid by July 1st.

After the end of the first full calendar of water deliveries to the Parties, the Operating Water System Expenses, as reflected in the approved budget for such amounts, shall be allocated between the parties according to the total volume of water delivered to each party in the prior year. In the event for any reason there is no approved budget for the Operating Water System Expenses, then and in that event the Operating Water Supply Expenses shall be determined on a running average basis, and after the completion of the first five full years of water deliveries hereunder, on the basis of a five-year running average.

3. **Contributions for Capital Repairs and Replacements.** Each Party shall contribute to the Capital Water Account the amount budgeted for the approved Capital Repairs and Replacements to the Water System as determined by that Party's Participating Interest in that Water System or any component thereof. One-half of such payment shall be made on January 1st of any given year and one-half of such annual payment shall be made on July 1st of any given year.

4. **Additional Contributions.** Whenever the amounts in the Capital Water Account are insufficient to pay the actual and necessary expenses of operating and maintaining the Water System as they become due, or whenever the amounts in the Capital Water Account are insufficient to pay the actual costs of Capital Repairs and Replacements to that System as they become due, whether or not such costs have been expressly approved in a budget, or in the event of a Manager's Call for Contributions, each Party shall within ten days of notice of such requirement for additional funds deposit in the Capital Water Account the amounts necessary to pay the accrued cost of operating and maintaining the Water System, or the amounts then required to pay the current cost of approved Capital Repairs and Replacements as these costs become due, or the amounts set forth in the Manager's Call For Contributions, as determined in accordance with that Party's prorata share of the Operating Water Supply Expenses for that year in the event that further funds are required for the Operating Water System Expenses, and/or as determined in accordance with that Party's Participating Interest in the Water Supply System in the event that further funds are required to pay Capital Repairs and Replacements.

B. **Wastewater Treatment System.** Each Party shall contribute in cash for deposit into the Capital Wastewater Account an amount equal to its allocated part of the Operating Wastewater System Expenses and its allocated part of the cost of Capital Repairs and Replacements to the Wastewater System as set forth in this paragraph.

1. **Initial Contribution.** On the effective date of this Agreement, each Party shall contribute to the Capital Wastewater Account an amount equal to the Participating Interest of the Party in the Wastewater System as multiplied by 150% of the actual Operating Wastewater System Expenses in the last complete calendar year as determined in accordance with the financial records of US, as adjusted for the number of whole and partial months that remain in the year of the effective date of this Agreement.

2. **Regular Contributions.** At the end of the year of the effective date of this Agreement, each Party shall contribute to the Capital Wastewater Account an amount equal to that Party's Participating Interest in the Wastewater System as multiplied by the budgeted amount for the Operating Wastewater System Expenses, or in the event no budgeted amount exists, the operation and maintenance expenses actually incurred as determined on a running average basis, and after the completion of the first five full years of water deliveries hereunder, on the basis of a five-year running average. One-half of each Party's contribution shall be paid into the Capital Wastewater Account by January 1st and one-half shall be paid by July 1st.

3. **Contributions for Capital Repairs and Replacements.** Each Party shall contribute to the Capital Wastewater Account the amount

budgeted for the approved Capital Repairs and Replacements to the Wastewater System as determined by that Party's Participating Interest in that Wastewater System or any component thereof. One-half of such payment shall be made on January 1st of any given year and one-half of such annual payment shall be made on July 1st of any given year.

4. **Additional Contributions.** Whenever the amounts in the Capital Wastewater Account are insufficient to pay the actual and necessary expenses of operating and maintaining the Wastewater System as they become due, or whenever the amounts in the Capital Wastewater Account are insufficient to pay the actual costs of Capital Repairs and Replacements to that System as they become due, whether or not such costs have been expressly approved in a budget, or in the event of a Manager's Call for Contributions, each Party shall within ten days of notice of such requirement for additional funds deposit in the Capital Wastewater Account the amounts necessary to pay the accrued cost of operating and maintaining the Wastewater System, or the amounts then required to pay the current cost of approved Capital Repairs and Replacements as these costs become due, or the amounts set forth in the Manager's Call For Contributions, as determined in accordance with that Party's Participating Interest in the Wastewater System.

C. **Integrity of Capital Water Account and Capital Wastewater Account.** The amounts contributed to the Capital Water Account shall be used exclusively for Operating Water System Expenses and Capital Repairs and Replacements to the Water System, and the amounts contributed to the Capital Wastewater Account shall be used exclusively for Operating Wastewater System Expenses and Capital Repairs and Replacements to the Wastewater System, provided that, if necessary to pay costs the Operating Expenses as they become due, money deposited or required for contribution in one Account may be borrowed for deposit into the other, provided that the Parties hereto immediately repay said amount in accordance with the allocations set forth in this Section. If and to the extent that any cost, expense, or other charge cannot be attributed as arising solely from the Water System or solely from the Wastewater System after due investigation, , or in those instances in which any such cost, expense or other charge arose and were incurred for the benefit of both such Systems, then and in that event such cost, expense, or other charge shall be debited to the Wastewater System. No Party shall be entitled to any refund to any of the amounts contributed to the Capital Water Account or the Capital Wastewater Account, but the amounts therein not required for Operating Expenses or Capital Repairs and Replacements shall be taken into account in the confirmation of any ensuing budget for the Water System and the Wastewater System.

D. **Debt Financing.** The Parties shall cooperate with each other in securing debt for the financing of any Capital Repairs and Replacements to the Water System or the Wastewater System, and may, in the event that each Party considers it in its interest at the time, provide for a mortgage on all of the interests comprising the

Cotenancy Property, with such indemnities as either Party may require. In no event shall any interest that accrues on any such debt be deemed part of the Operating Expenses or part of the cost of any Capital Repairs and Replacements unless both Parties hereto receive such loan proceeds in amounts that equal their Participating Interests for contribution in the Capital Water Account or the Capital Wastewater Treatment Accounts, and in all other instances the cost of such debt shall be the sole cost of the Party obtaining such financing. Nothing in this paragraph shall be construed to prevent any Party from mortgaging, pledging, or otherwise securing any debt that Party owes individually with that Party's separate Cotenancy Interest.

E. **Loans Between Cotenants.** Whenever any Party fails to timely make those Contributions required of that Party under this Section for any reason, the other Party may, at its sole discretion, elect to pay the amount of the Contribution otherwise due from the non-performing Party. The amount of any such payment shall be deemed a loan to the non-performing Party, and the Party making such additional funds available shall be deemed to have a lien on the Cotenancy Interest of the non-performing Party to the extent of the advance and all interest due thereon. Any such advance shall accrue interest at the prime rate, as reported by the Wall Street Journal in the most recent publication of such rates prior to the advance, plus five percentage points, from the date the contribution required of the non-performing Party was due under this section. Interest shall continue to accrue on such funds until the full amount thereon has been paid into the Capital Account, and in that event, the full amount of principal and interest, notwithstanding any other term of this Agreement, shall be immediately disbursed to the Party advancing such payment. No payment to any Capital Account shall be deemed a payment on any loan created under this paragraph where that Party at the time of such payment then owes additional amounts to any Capital Account as a result of further requirements for additional contributions as set forth in this section. No remedy set forth in this paragraph shall be deemed an exclusive remedy, and an Party advancing the amount of any contribution shall be entitled to all remedies at law or equity that he may have.

F. **No Setoff or Withholding.** Notwithstanding any other term or provision herein, no Party shall withhold or set off any contribution required or contemplated by the terms of this section as a result of any allegations that the other Party has breached any provision of this Agreement. In the event of any breach of this Agreement, each Party shall have a continuing duty to make the full amount of the contributions required or contemplated by the terms of this Section.

7. **Casualty Losses and Insurance.** The Parties shall cooperate with each other to insure the Water and Wastewater System against loss or damage by fire and such other perils and hazards in such amounts as shall be determined reasonable by the vote of the Parties, without prejudice to right of each Party to additionally insure its own Cotenancy Interest or Participating Interest. If and to the extent that insurance on all of the Water and

Wastewater System is available only by naming one of the Parties as a named insured, then and in that event the named insured shall hold the proceeds of such insurance for both Parties in accordance with the terms of this Section.

A. **Reconstruction of Damaged Facilities.** If all or any part of the Water and Wastewater System shall be damaged by casualty, it shall be reconstructed or repaired substantially in accordance with the original design for the original improvements, or if not, then according to plans approved in writing by not less than seventy-five percent (75%) of the Participating Interests, but in no event with a Water Capacity and/or Wastewater Capacity less than that required to provide a water and water supply, and sewage and other wastewater collection, treatment, and discharge, to those persons and entities interconnected with the Water and Wastewater System prior to the casualty. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair, or if at any time during such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, then and in that event the Parties shall contribute an amount to the Cotenancy Capital Account sufficient for such reconstruction or repair, as determined by their Participating Interest in accord with Section 6 hereof.

8. **Transfers of Cotenancy Interests.** Each Party may transfer all or part of its Cotenancy Interest, provided that the other Party consents in writing to any such transfer. Each Party to this Agreement shall consent to any such transfer where that Party is provided with reasonable financial assurances that the transferee has the financial resources, or can secure the financial resources from banks or other like institutions, to meet or fulfill all requirements of each Cotenancy under the terms of this Agreement. In no event shall any transfer of any membership interest in any limited liability company, corporation, or partnership be deemed a transfer of a Cotenancy Interest within the meaning of this paragraph.

A. **No Right to Partition.** Each of the Parties hereto acknowledges and confirms that the Cotenancy Property, and the Water and Wastewater Treatment System thereon, is devoted to the public purposes of providing a water and water supply and sewer and other wastewater treatment to members of the public, and that therefore the continued operation of the Water and Wastewater Treatment System is affected with a public interest. Neither Party to this Agreement shall hereafter seek, and each Party hereto otherwise waives, any and all rights that Party may otherwise have to seek a partition of the Cotenancy Property as set forth in MCA 70-29-101 et.seq. or as otherwise provided by law, regardless of whether that partition is by kind, by sale, or otherwise. Each Party acknowledges that the provisions of this paragraph were a material inducement to that Party in acquiring and holding his Cotenancy Interest.

9. **Insurance and Liability: Indemnification.** The Cotenants shall maintain, or cause to be maintained, all workers' compensation insurance that may be required by law for any employee of either of them retained or employed to operate or maintain any of the Cotenancy Property. In addition, the cotenants shall purchase or maintain commercial general liability insurance, with a broad form commercial liability endorsement, written on an "occurrence basis" for death, bodily injury and property damage occurring upon, in or about, or arising out or connected with the condition or use of the Cotenancy Property or the Water and Wastewater Treatment System thereon, with coverage limits not less than \$5 million combined single limit. Each Party hereto shall be named an insured or an additional insured under the commercial general liability policy required under this section, all such policies shall provide for at least 30 days' written notice to each of the Parties before cancellation. The costs of such insurance shall be deemed an operating expense of the Wastewater System.

A. **Limited Liability.** No Party shall have any right or claim against the other Party for any property damage or loss (whether caused by negligence or the condition of the Cotenancy Property or the Water and Wastewater Treatment System thereon), by way of subrogation or assignment, each Party hereto thereby waiving and relinquishing any such right of recovery, to the extent such damage or loss is covered by a insurance required under this section or otherwise in this Agreement. If necessary to give effect to this paragraph under the terms of the insurance policies acquired, each Party shall require its insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise in favor of the other Party to this Agreement. It is the intent of the Parties hereto that the waivers contained in this section apply to all matters described in this Agreement, including, without limitation, any matter that is cause in whole or in part by the sole or concurrent negligence of the Parties hereto, or any of their employees, patrons, or invitees.

B. **Indemnity.** Each Party shall indemnify, defend and hold harmless the other Party from and against any and all claims, liabilities, obligations, demands, actions, arbitrations, proceedings, losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that any Party may incur or become subject to, directly or indirectly, as a result of any Party's ownership, operation, or use of property wholly owned by that Party, whether or not that separate property is used in addition to the Cotenancy Property to provide water or wastewater treatment to those served by each such Party, and/or as a result of those duties, obligations, or other requirements that a Party has assumed or adopted to provide water service or water and wastewater treatment to any person or entity.

C. **Right of Contribution.** Except as provided in paragraph B. hereof, each Party shall have a right of contribution from the other Party for all that Party's losses, costs, expenses, fines, penalties and fees (including attorneys' fees, expert fees and other professional fees) that any Party may incur or become subject to, directly or indirectly, as a result of any Party's ownership, operation, or use of the Cotenancy Property or the Water and Wastewater Treatment System thereon, to

the extent that any such losses, costs, expense, fines, penalties and fees are not reimbursed or otherwise paid by insurance or any other indemnitor. Said right of contribution shall extend, without limitation, to any Party who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the Party is a Cotenant of the Cotenancy Property or the Water and Wastewater Treatment System thereon, or was otherwise using, maintaining, repairing, or operating any of the Cotenancy Property or the Water and Wastewater Treatment System thereon, provided, however, that in all such cases the Party, or his agents and employees, acted in the good faith belief that the course of conduct allegedly giving rise to the liability was in the interest of the proper management, care, and use of the Water and Wastewater Treatment System. The amount of contribution owed to any Party shall be equal to other Party's Participating Interest in the System giving rise to the claim, except that where the records or circumstances are insufficient to determine whether any particular claim arose from the ownership, use, operation, repair, management or maintenance of the Water System or the Wastewater System, or where any claim arose from the ownership, use, operation, repair, management or maintenance of both Systems, such contribution shall be equal to the other Party's Participating Interest in the Wastewater System.

10. Remedies. All remedies for the breach of any term, condition, or promise set forth herein shall be as set forth in this section.

A. Arbitration. Except as set forth in paragraph C hereof, the exclusive remedy of either party hereto shall be arbitration as set forth in this paragraph.

1. Any party may initiate an arbitration upon written notice to the other party and to the Seattle, Washington office of the American Arbitration Association ("AAA") requesting a prompt hearing to be held in Bozeman, Montana.

2. The arbitration shall be conducted before a single arbitrator selected by the consent of the parties or, if the parties cannot agree within thirty (30) business days after the notice initiating the arbitration, the arbitrator shall be appointed by the AAA in accordance with its rules. In either case, the single arbitrator shall have substantial professional experience in the subject matter of the dispute.

3. The parties shall cooperate with the AAA to permit the scheduling of a hearing so as to complete any such arbitration within 180 days of commencement, except if the arbitrator determines for good cause that a longer period is required. The Arbitrator shall allow and provide for discovery in accordance with the Montana Rules of Civil Procedure.

4. No adjournment of any hearing shall exceed thirty (30) business days in length, nor shall there be more than one (1) such adjournment without the written consent of the Parties.

5. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. 1-16, to the exclusion of any provision of the law of the State of Montana inconsistent therewith, and judgment upon the award rendered by the single arbitrator may be entered by any court having jurisdiction thereof.

6. The arbitrator shall apply the substantive law of the State of Montana exclusive of its conflict of law rules.

7. The award rendered by the single arbitrator shall contain specific findings of fact and conclusions of law on which the award is based and the Parties shall have the right to appeal all issues of law to any court having jurisdiction.

8. The arbitrator is specifically authorized to grant appropriate relief as may be requested, explicitly including specific performance or orders to any party to perform the Agreement, or orders to any party restraining that party from contracting or performing under any other contract for the provision of a water supply and water treatment for Service Area No. 2. The parties explicitly agree that the arbitrator may award specific performance of any kind or character notwithstanding the fact that damages may accord complete relief, and the arbitrator may accord specific performance with damages in order to provide a party with complete relief.

9. The prevailing party in any dispute finally resolved by arbitration shall be awarded all its costs, including attorneys' fees, expert fees, other professional fees expenses incurred in the arbitration, and the costs of arbitrators and other charges of the AAA.

B. Limited Judicial Remedies. Notwithstanding the terms of paragraph A hereof, either party may file any action in any appropriate Court within the State of Montana seeking such preliminary relief in the form of a temporary restraining order or preliminary injunction as may be available under MCA 27-19-101 et. seq. For the purposes of this subparagraph, the parties agree that in the event either party terminates this Agreement or otherwise refuses to perform hereunder, damages shall not be considered adequate relief and the Court should enter such injunctive relief as the circumstances require. Upon the issuance of such preliminary relief, neither party shall further pursue any additional judicial remedies, and the action shall be stayed pending the arbitrator's award.

In addition, any lien granted to secure any loan in accordance with the terms of this Agreement may be foreclosed or executed upon in accordance with the laws and

judicial procedures of the State of Montana.

11. Construction as Real Covenants. The Parties acknowledge that each term, condition, covenant, and provision herein touches and concerns the real property rights inuring in their Cotenancy Interests. The Parties intend that this Agreement, and each term, condition, covenant, and provision herein, burden and benefit the ownership of their Cotenancy Interests, and that this Agreement, and each term, condition, covenant, and provision herein run with the land and bind each and all of their successors-in-interest.

12. Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (1) hand-delivery, or (2) one business day after being deposited prepaid with Federal Express, United States Postal Service, Express Mail, UPS, or any other reliable overnight courier service or transmitted by facsimile telecopy with confirmation of receipt, and addressed as follows:

If to US:

Utility Solutions, LLC
Attn: Barbara Campbell
224 Zoot Way
Bozeman, Montana 59718

With a copy to:
John M Kauffman, Esq.
Kasting, Kauffman & Mersen, P.C.
716 S. 20th Ave., Suite 101
Bozeman, Montana 58718

If to the District:

with a copy to:
John C. Brown, Esq.
Cok, Wheat, Brown & McGarry, PLLC
35 North Bozeman Ave.
Bozeman, Montana 59715

Either party may change its address by giving notice to the other in the

manner provided for in this section.

13. **Choice of Law.** This Agreement is made in, and shall be construed in accordance with, the laws of the State of Montana.

14 **Modifications and Waivers.** This Agreement may only be modified in a writing signed by each of the Parties. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of any covenant, term, or condition shall not be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by one Party of any performance by the other after the time the same shall have become due shall not constitute a waiver by the former of the breach or default of any covenant, term or condition unless otherwise expressly agreed by the non-breaching party in writing.

15. **Relationship of Parties.** This Agreement shall not be construed to create, either expressly or by implication, the relationship of agency or partnership between the Parties. No Party (including the Party's agent, employees or contractors) is authorized to act on behalf of another Party in any manner relating to the subject matter of this Agreement. No Party shall be liable for the acts, errors or omissions of the officers, agents, employees or contractors of the other party entered into, committed or performed with respect to or in performance of this Agreement.

16. **No Third Party Beneficiary.** Each of the provisions of this Agreement is for the sole and exclusive benefit of the Parties and none of the provisions of this Agreement shall be deemed to be for the benefit of any other person or entity. Without limiting this section, no landowner or other property owner within the jurisdictional boundaries of the District shall be a third beneficiary of this Agreement.

17. **Captions.** The titles or captions of the provisions of this Agreement are merely for convenience or reference and are not representations of matters included or excluded from such provisions.

18. **Entire Agreement.** This Agreement and all exhibits hereto shall constitute the entire agreement and understanding between and among the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The Parties expressly acknowledge and agree that, with regard to the subject matter of this Agreement and the transactions contemplated herein, (a) there are no oral agreements between the parties and (b) this Agreement, including the exhibits attached hereto, (i) embodies the final and complete agreement between the parties, (ii) supersedes all prior and contemporaneous negotiations, offers, proposals, agreements, commitments, promises, acts, conduct, course of dealing, representations, statements, assurances and understandings, whether oral or written, and (iii) may not be varied or contradicted by evidence of any such prior or contemporaneous matter or by evidence of any subsequent oral agreement of the parties.

19. **No Construction Against Drafter.** This Agreement and each of the parts hereof shall not be construed against the Party drafting the Agreement or that part, and in every event, this Agreement and all of its parts shall be construed as if both Parties drafted all its provisions.

20. **Estoppel Certificates.** Each of the Parties to this Agreement shall at any time and from time to time, as promptly as reasonably possible after receiving a request from any other Party to this Agreement, deliver to such requesting Party and its designee a statement in writing certifying to the best knowledge of the delivering Party whether a default exists under this Agreement on the part of the requesting Party (and, if so, specifying the default).

21. **Further Assurances.** The parties to this Agreement shall cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each Party to this Agreement shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

22. **Severability.** In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Utility Solutions, LLC
By Barbara Campbell, Is Manager

Four Corners County Water and Sewer District
By Its President, _____

On the ____ day of _____, 20____, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Barbara Campbell, , known to me to be

the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same on behalf of Utility Solutions, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana

(printed name of Notary Public)

Residing at _____,

My commission expires: _____.

(S E A L)

On the ____ day of October, 2003, before me, the undersigned, a Notary Public for the State of Montana, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same on behalf of the Four Corners County Water and Sewer District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.

Notary Public for the State of Montana

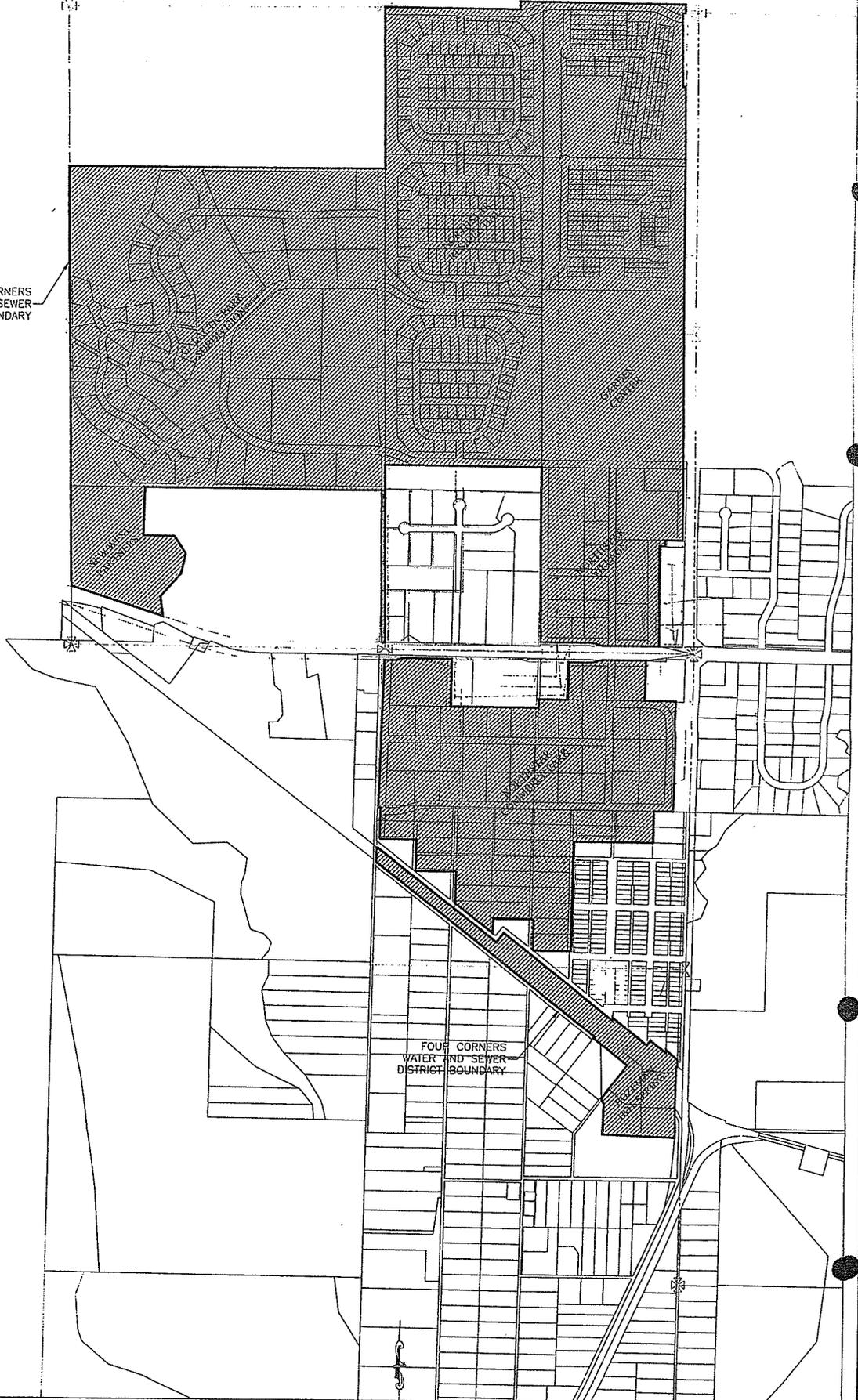
(printed name of Notary Public)

Residing at _____,

My commission expires: _____.

(S E A L)

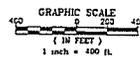
FOUR CORNERS
WATER AND SEWER
DISTRICT BOUNDARY



FOUR CORNERS
WATER AND SEWER
DISTRICT BOUNDARY

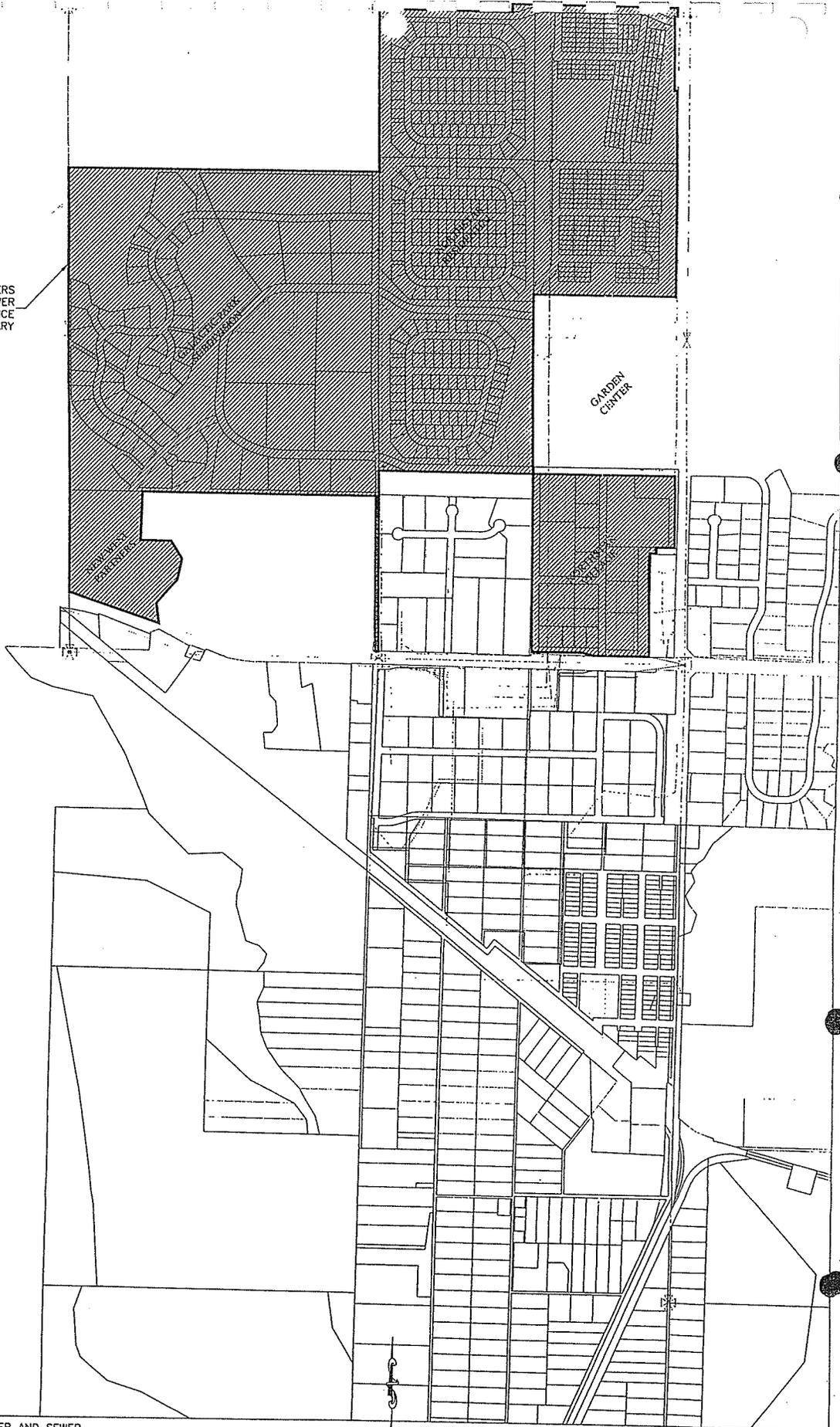
FOUR CORNERS WATER AND SEWER DISTRICT:

NORTHSTAR SUBDIVISION
GALACTIC PARK SUBDIVISION
NEW WEST PARTNERS
BOZEMAN HOT SPRINGS
GARDEN CENTER SUBDIVISION



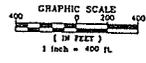
<p>MORRISON MAIERLE, Inc. Professional Engineers, Surveyors, and Planners 1000 N. Hill St., Suite 1000, Bozeman, MT 59717-1000, Ph: 406.592.5100 CLIENT: UTILITY SOLUTIONS, LLC</p>		<p>WSD SERVICE AREA "EXHIBIT A"</p>
<p>FIELD WORK: DATE: 08/23/04 DRAWN BY: ELB SCALE: 1"=500' CHECKED BY: JSD</p>	<p>PLOTTED DATE: Jun/24/2004 - 10:39:31 am DRAWING NAME: WSD331711.mxd\GARDEN\DWG\A.dwg SHEET 1 OF 1</p>	

FOUR CORNERS
WATER AND SEWER
DISTRICT SERVICE
AREA 2 BOUNDARY



FOUR CORNERS WATER AND SEWER
DISTRICT SERVICE AREA 2:

NORTHSTAR SUBDIVISION
GALACTIC PARK SUBDIVISION
NEW WEST PARTNERS



MORRISON MAIERLE, Inc.
4400 W. 10th St. Suite 200, Denver, CO 80202 • Phone: (303) 363-0200 • Fax: (303) 363-0201
 CLIENT-UTILITY SOLUTIONS, LLC
 FIELD WDR# 0062200
 DATE 6/24/2004
 DRAWING NAME: HUSSEIN-1101/SCHEMATIC/EXHIBIT B-04
 SHEET 1 OF 1
 PLOTTED BY: [unreadable]

WSD
SERVICE AREA 2
"EXHIBIT B"
 PRINTED DATE: Jun/24/2004 - 10:41:07 am
 SHEET 1 OF 1

Exhibit PSC-012a

11:59 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Exhibit
 RSC-012

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Service Expansion										
Black Bull										
Check	1/17/2006	3250		DNRC	Permit applic...		Cash - Stock...	400.00		400.00
Check	3/27/2006	3332		DNRC			Cash - Stock...	400.00		800.00
Check	5/5/2006	3378		Nicklin Earth & Water	2492		Cash - Stock...	517.50		1,317.50
Bill	6/1/2006			John Kauffman	legal		Accounts pay...	1,837.50		3,155.00
Check	6/29/2006	3475		DEQ			Cash - Stock...	1,700.00		4,855.00
Check	8/9/2006	3528		John Kauffman	legal		Cash - Stock...	131.25		4,986.25
Check	8/16/2006	3556		Gallatin County Roa...			Cash - Stock...	250.00		5,236.25
Check	9/8/2006	3584		John Kauffman			Cash - Stock...	612.50		5,848.75
Check	10/2/2006	3601		Morrison Materie	Engineering		Cash - Stock...	120,018.15	132,019.96	125,866.90
Deposit	10/3/2006			Black Bull Run	Deposit		Cash - Stock...	287.50		-6,153.06
Check	11/8/2006	3682		Nicklin Earth & Water	2537		Cash - Stock...	515.00		-5,865.56
Check	12/8/2006	3710		Applegate Group, Inc.	39859		Cash - Stock...	49,950.00		44,599.44
Check	12/8/2006	3715		Kevin Haggerty Drill...			Cash - Stock...	2,760.00		47,359.44
Check	12/8/2006	3719		Nicklin Earth & Water	2546		Cash - Stock...	2,890.70		50,250.14
Check	12/8/2006	3723		John Kauffman			Cash - Stock...			50,250.14
Total Black Bull								182,270.10	132,019.96	50,250.14
Total Service Expansion								182,270.10	132,019.96	50,250.14
TOTAL								182,270.10	132,019.96	50,250.14

11:59 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Service Expansion										
Buckland										
Check	10/11/2006	3641		DNRC				400.00		400.00
Total Buckland								400.00	0.00	400.00
Total Service Expansion								400.00	0.00	400.00
TOTAL								400.00	0.00	400.00

11:59 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Service Expansion										
Cameron Bridge										
Check	12/8/2006	3722		John Kauffman				262.50		262.50
Total Cameron Bridge								262.50	0.00	262.50
Total Service Expansion								262.50	0.00	262.50
TOTAL								262.50	0.00	262.50

11:59 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Service Expansion										
Circle F										
Check	8/11/2006	3540		John Kauffman			Cash - Stock...	481.25		481.25
Deposit	11/22/2006			Customers	reimb engine...		Cash - Stock...		77,535.54	-77,054.29
Check	11/27/2006	3696		Morrison Maierle	#3709.020		Cash - Stock...	70,486.85		-6,567.44
Total Circle F								<u>70,968.10</u>	<u>77,535.54</u>	<u>-6,567.44</u>
Total Service Expansion								<u>70,968.10</u>	<u>77,535.54</u>	<u>-6,567.44</u>
TOTAL								<u><u>70,968.10</u></u>	<u><u>77,535.54</u></u>	<u><u>-6,567.44</u></u>

11:59 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Service Expansion										
Gallatin Heights										
Bill	6/1/2006			John Kauffman	legal		Accounts pay...	831.25		831.25
Check	6/16/2006	3442		John Kauffman			Cash - Stock...	2,591.25		3,422.50
Check	8/9/2006	3528		John Kauffman	legal		Cash - Stock...	525.00		3,947.50
Check	8/11/2006	3540		John Kauffman			Cash - Stock...	1,618.75		5,566.25
Check	9/8/2006	3582		John Kauffman			Cash - Stock...	218.75		5,785.00
Check	9/8/2006	3583		John Kauffman			Cash - Stock...	262.50		6,047.50
Check	9/8/2006	3584		John Kauffman			Cash - Stock...	700.00		6,747.50
Total Gallatin Heights								6,747.50	0.00	6,747.50
Total Service Expansion								6,747.50	0.00	6,747.50
TOTAL								6,747.50	0.00	6,747.50

12:00 PM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Service Expansion										
Hughes Morton	12/8/2006	3723		John Kauffman			Cash - Stock...	43.75		43.75
Check								43.75	0.00	43.75
Total Hughes Morton								43.75	0.00	43.75
Total Service Expansion								43.75	0.00	43.75
TOTAL								43.75	0.00	43.75

12:00 PM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Service Expansion										
Permits & Fees										
Check	12/14/2006	3731		DEQ				1,000.00		1,000.00
Check	12/14/2006	3732		DEQ				2,400.00		3,400.00
								3,400.00	0.00	3,400.00
Total Permits & Fees										
								3,400.00	0.00	3,400.00
Total Service Expansion										
								3,400.00	0.00	3,400.00
TOTAL										

Exhibit PSC-013b

2006 Testing

Elk Grove Sewer

1698 Energy Labs Invoices associated with disposal permit #MTX000110
560 Contract Operator charges associated with sampling
2258 Total PSC Report

Elk Grove Water

1225 Energy Labs Invoices associated with Elk Grove water system testing
616 Contract Operator charges associated with sampling and testing
1841 Total PSC Report

4099 Total Elk Grove Testing (47% of Total Testing)

District Sewer

188 Energy Labs Invoice associated with Monitoring Well testing
188 Total PSC Report

District Water

1695 Energy Labs Invoices associated with District water system
2661 Contract Operator charges associated with sampling and testing
4356 Total PSC Report

4544 Total District Testing (53% of Total Testing)

10:55 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Testing EG Sewer										
Check	3/8/2006	3312		Energy Labs	260250825		Cash - Stock...	124.40		124.40
Check	4/4/2006	3360		Energy Labs	260351125		Cash - Stock...	131.90		256.30
Check	5/5/2006	3381		Energy Labs	260450816		Cash - Stock...	131.90		388.20
Check	9/8/2006	3571		Energy Labs	260851480		Cash - Stock...	131.90		520.10
Check	9/14/2006	3586		Eric Campbell			Cash - Stock...	280.00		800.10
Check	11/8/2006	3671		Eric Campbell			Cash - Stock...	280.00		1,080.10
Check	11/8/2006	3675		Energy Labs	261051154		Cash - Stock...	131.90		1,212.00
Check	12/8/2006	3724		Energy Labs			Cash - Stock...	1,045.75		2,257.75
Total Testing EG Sewer								2,257.75	0.00	2,257.75
Total Sewer Service - Elk Grove								2,257.75	0.00	2,257.75
TOTAL								2,257.75	0.00	2,257.75

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

1:10 PM
 01/17/08
 Accrual Basis

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Water Service - Elk Grove										
Testing - E.G. water										
Check	1/16/2006	3245		Energy Labs	251250449		Cash - Stock...	30.57		30.57
Check	2/10/2006	3261		Energy Labs	B13012		Cash - Stock...	30.48		61.05
Check	2/10/2006	3268		Eric Campbell			Cash - Stock...	100.00		161.05
Check	2/10/2006	3287		Energy Labs	260150234		Cash - Stock...	30.51		191.56
Check	4/4/2006	3340		Energy Labs	260350211		Cash - Stock...	30.91		222.47
Check	4/4/2006	3346		Energy Labs			Cash - Stock...	686.58		909.05
Check	5/5/2006	3387		Energy Labs	260450618		Cash - Stock...	16.02		925.07
Check	5/5/2006	3398		Energy Labs	260450619		Cash - Stock...	31.02		956.09
Check	5/5/2006	3392		Energy Labs	260451333		Cash - Stock...	108.15		1,064.24
Bill	6/1/2006			Eric Campbell			Cash - Stock...	316.00		1,380.24
Bill	6/1/2006			Energy Labs			Accounts pay...	46.63		1,426.87
Check	6/16/2006	3464		Energy Labs	260650577		Cash - Stock...	31.36		1,458.23
Check	8/9/2006	3525		Energy Labs	260750676		Cash - Stock...	30.49		1,488.72
Check	9/8/2006	3576		Energy Labs	260850346		Cash - Stock...	31.39		1,520.11
Check	10/9/2006	3602		Eric Campbell			Cash - Stock...	100.00		1,620.11
Check	10/11/2006	3624		Energy Labs	260950673		Cash - Stock...	30.00		1,650.11
Check	11/8/2006	3679		Energy Labs	261050540		Cash - Stock...	60.00		1,710.11
Check	12/8/2006	3724		Energy Labs			Cash - Stock...	31.17		1,741.28
Check	12/8/2006	3725		Eric Campbell			Cash - Stock...	100.00		1,841.28
Total Testing - E.G. water								1,841.28	0.00	1,841.28
Total Water Service - Elk Grove								1,841.28	0.00	1,841.28
TOTAL								1,841.28	0.00	1,841.28

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

12:23 PM
 01/17/08
 Accrual Basis

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Sewer Service - District										
Testing	8/9/2006	3537		Energy Labs	260850066		Cash - Stock...	188.15		188.15
Check								188.15	0.00	188.15
Total Testing								188.15	0.00	188.15
Total Sewer Service - District								188.15	0.00	188.15
TOTAL								188.15	0.00	188.15

1:10 PM
01/17/08
Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
January through December 2006

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Water Service - District										
Testing - District										
Check	1/16/2006	3227		Energy Labs	260150248		Cash - Stock...	15.51		15.51
Check	2/10/2006	3260		Energy Labs	B13012		Cash - Stock...	15.48		30.99
Check	4/4/2006	3338		Energy Labs	260350210		Cash - Stock...	15.91		46.90
Check	4/4/2006	3346		Energy Labs			Cash - Stock...	686.57		733.47
Check	4/4/2006	3354		Energy Labs			Cash - Stock...	31.07		764.54
Bill	6/1/2006			Eric Campbell	B12033		Accounts pay...	681.38		1,445.92
Bill	6/1/2006			Eric Campbell			Accounts pay...	145.00		1,590.92
Bill	6/1/2006			Energy Labs			Accounts pay...	38.15		1,629.07
Check	6/16/2006	3446		Energy Labs	260551192		Cash - Stock...	100.00		1,729.07
Check	6/16/2006	3465		Energy Labs	260650582		Cash - Stock...	16.36		1,745.43
Check	8/9/2006	3520		Energy Labs	260551171		Cash - Stock...	48.15		1,793.58
Check	8/9/2006	3524		Energy Labs	260750681		Cash - Stock...	15.49		1,809.07
Check	8/9/2006	3526		Energy Labs	260750672		Cash - Stock...	15.49		1,824.56
Check	9/8/2006	3575		Energy Labs	260850342		Cash - Stock...	16.39		1,840.95
Check	9/8/2006	3577		Energy Labs	260850340		Cash - Stock...	16.39		1,857.34
Check	9/14/2006	3587		Eric Campbell			Cash - Stock...	515.00		2,372.34
Check	10/9/2006	3602		Eric Campbell			Cash - Stock...	470.00		2,842.34
Check	10/11/2006	3622		Energy Labs	260950841		Cash - Stock...	604.08		3,446.42
Check	10/11/2006	3625		Energy Labs	260950672		Cash - Stock...	15.00		3,461.42
Check	11/8/2006	3672		Eric Campbell			Cash - Stock...	325.00		3,786.42
Check	11/8/2006	3673		Eric Campbell			Cash - Stock...	190.00		3,976.42
Check	12/8/2006	3724		Energy Labs			Cash - Stock...	45.00		4,021.42
Check	12/8/2006	3725		Eric Campbell			Cash - Stock...	335.00		4,356.42
Total Testing - District								4,356.42	0.00	4,356.42
Total Water Service - District								4,356.42	0.00	4,356.42
TOTAL								4,356.42	0.00	4,356.42

exhibit PSC-013d

1:59 PM

01/18/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Handwritten:
 EXHIBIT
 PSC OIB
 Elk Grove

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Maintenance - E.G. Sewer										
Check	1/16/2006	3239		Kenyon Noble	240400-00		Cash - Stock...	360.14		360.14
Check	1/16/2006	3244		Scenic City	1394		Cash - Stock...	3,947.64		3,947.64
Check	1/16/2006	3246		Lakeside Equipment	05-1815		Cash - Stock...	98.00		4,045.64
Check	1/16/2006	3253		Lakeside Equipment	05-1843		Cash - Stock...	340.00		4,385.64
Check	2/10/2006	3264		Industrial Systems	33469		Cash - Stock...	52.72		4,438.36
Check	2/10/2006	3270		Kenyon Noble	240400-00		Cash - Stock...	33.51		4,471.87
Check	2/27/2006	3298		James Jones	reimbursement		Cash - Stock...	20.99		4,492.86
Check	3/8/2006	3306		Scenic City			Cash - Stock...	2,486.00		6,978.86
Check	3/8/2006	3307		Kenyon Noble			Cash - Stock...	138.55		7,117.41
Check	3/8/2006	3315		USA BlueBook	119370		Cash - Stock...	167.16		7,284.57
Check	3/27/2006	3330		John Close	Pump reimbu...		Cash - Stock...	348.82		7,633.39
Check	3/27/2006	3331		James Jones	Reimburse...		Cash - Stock...	19.34		7,652.73
Check	4/4/2006	3337		Brenntag	BP1548579		Cash - Stock...	727.97		8,380.70
Check	4/4/2006	3362		Kenyon Noble	240400-00		Cash - Stock...	105.30		8,486.00
Check	5/5/2006	3379		Scenic City	1668		Cash - Stock...	1,243.00		9,729.00
Check	5/5/2006	3382		USA BlueBook	145644		Cash - Stock...	52.18		9,781.18
Check	5/5/2006	3389		USA BlueBook	141956		Cash - Stock...	118.00		9,899.18
Check	5/5/2006	3393		USA BlueBook	154394		Cash - Stock...	77.97		9,977.15
Check	5/5/2006	3398		Kenyon Noble			Cash - Stock...	51.47		10,028.62
Bill	6/1/2006			Kenyon Noble			Accounts pay...	111.39		10,140.01
General Journal	6/16/2006	aw	*				Cash - Petty C...	31.99		10,172.00
Check	6/16/2006	3444		Montana Kubota, Inc.			Cash - Stock...	31.93		10,203.93
Check	6/16/2006	3448		Mountain Locksmith...			Cash - Stock...	179.00		10,382.93
Check	6/16/2006	3461		USA BlueBook	176318		Cash - Stock...	348.99		10,731.92
Check	7/13/2006	3496		Scenic City	1920		Cash - Stock...	4,270.00		15,001.92
General Journal	8/10/2006	aw			refund		Cash - Stock...		200.00	14,801.92
Check	11/8/2006	3674		Scenic City	2272		Cash - Stock...	4,980.00		19,781.92
Deposit	11/28/2006			Customers	Deposit		Cash - Stock...		200.00	19,981.92
Check	12/8/2006	3713		Scenic City	2344,2345		Cash - Stock...	487.50		20,069.42
Total Maintenance - E.G. Sewer								20,469.42	400.00	20,069.42
Total Sewer Service - Elk Grove								20,469.42	400.00	20,069.42
TOTAL								20,469.42	400.00	20,069.42



PHONE 587-9366 • FAX 585-2703 • 25 EAST MENDENHALL • P.O. BOX 1109 • BOZEMAN, MONTANA 59715
STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
PO BOX 10098
BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	10/31/05	703738	I	30.39	->30	
	11/02/05	706382	I	25.70	->30	
	11/04/05	709066	I	22.89	->30	
	11/08/05	712998	I	38.75	->30	
	11/15/05	720634	I	30.02	->30	
	11/29/05	733785	I	24.83	CT	
	11/30/05	734309	I	20.15	CT	
	12/09/05	743514	I	13.03	CT	13.03
	12/12/05	745793	I	147.29	CT	147.29
	12/15/05	749419	I	95.82	CT	95.82
	12/20/05	753541	I	50.75	CT	50.75
	12/20/05	753802	I	26.95	CT	26.95
	12/22/05	755631	I	5.94	CT	5.94
	12/22/05	755647	I	32.24	CT	32.24

PAYMENTS & ADJUSTMENTS THIS PERIOD

DATE	CHECK #	AMOUNT
12/19/05	3198	192.73

*pd 1/16/06
457-3239*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
192.73	360.14	192.73-		360.14

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice #: 753541
 Invoice Date: 12/20/2005
 Invoice Amount: 50.75
 Customer PO #: JIM

KENYON NOBLE
 LUMBER AND HARDWARE
 Serving Montana Since 1889
 www.kenyonnoble.com

The Best
 All Across America

YOUR HARDWARE SPECIALISTS

SOLD TO

DOUBLE-TREE INC.
 PO BOX 1009B
 BOZEMAN MT 59719

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 25 East Mendenhall - P.O. Box 1109
 Bozeman, Montana 59711-1109
 Sales: 586-2384 • Fax: 586-8540
 Contracting Sales: 586-2371
 Bookkeeping: 587-9366 • Fax: 585-2703

4949 Jackrabbit Lane-Belgrade
 P.O. Box 1109-Bozeman
 Sales: 388-6400 • Fax: 388-7303

122 North F
 Livingston, Montana 59047
 Sales: 222-0761 • Fax: 222-8224

RETURN POLICY & TERMS ON BACK

SHIP TO

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY	STORE NO.					
JIM		12/20/05	12/20 12/20/05	KYLA /JHL	3					
ORDERED	SHIPPED	UM	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	UM	AMOUNT		
1		EA	41392B	2110 PVC DWV40 PIPE (PH)	1	6.9200	EACH	6.92		
1		PC	482FHL6	4" X8" 2" 250# FORMALAR RIO (PINK/RL)	1	635.0000	HSF	20.32		
1		EA	41394B	35705 5 YRS SAND RESH	1	6.3600	EACH	6.36		
1		EA	458473	019092 1PT PURPLE PRIMER	1	5.3900	EACH	5.39		
1		EA	43471B	ALL PURPOSE ELUE 15011	1	3.5900	EACH	3.59		
2		EA	442550	212 FEMALE ADAPTER 70320	2	1.7900	EACH	3.58		
2		EA	442885	70420 2 MALE ADAPTER	2	1.1600	EACH	2.32		
1		EA	405728	374120TIFE TAPE	1	1.3200	EACH	1.52		
1		EA	405701	1721260 TEFLEX TAPE	1	.5500	EACH	.55		
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	50.75

RECEIVED BY: *[Signature]* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 755647
 Invoice Date: 12/22/2005
 Invoice Amount: 32.24
 Customer PO #: JIM

KENYON NOBLE
 LUMBER AND HARDWARE
 Serving Montana Since 1889
 www.kenyon-noble.com

The Best
 All Across America

YOUR HARDWARE SPECIALISTS

SOLD TO

DOUBLE-TREE INC.
 PO BOX 1009B
 BOZEMAN MT 59719

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 25 East Mendenhall - P.O. Box 1109
 Bozeman, Montana 59711-1109
 Sales: (406) 586-2384 • Fax: (406) 586-8540
 Contracting Sales: (406) 586-2371
 Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
 P.O. Box 1109-Bozeman
 Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 • Fax: (406) 222-8224

RETURN POLICY & TERMS ON BACK

SHIP TO

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY	STORE NO.					
JIM		12/22/05	11/23 12/22/05	RINDY/KRL	3					
ORDERED	SHIPPED	UM	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	UM	AMOUNT		
1		EA	50543V	57101 5/8114 TON ROPE	1	15.4700	EACH	15.47		
1		EA	74303V	162 LAMIN SHIP W/ DOL PATTERN	1	1.6100	EACH	1.61		
1		EA	06625C	16" W/SLAPRO HANDLE	1	3.0200	EACH	3.02		
1		EA	19371L	19371L AL DISP. NITRIL	1	12.1400	EACH	12.14		
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	32.24

RECEIVED BY: *[Signature]* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE



Scenic City Enterprises, Inc.

243 Poplar Drive
Bozeman, MT 59718

Invoice

Date	Invoice #
12/20/2005	1394

Bill To
Utility Solutions P.O. Box 10098 Bozeman, MT 59719

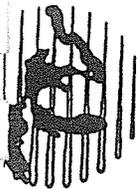
*pd 1/16/06
US # 3244*

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
16,000	Pumped 16,000 gallons septic December 19, 2005. Job Address: Elk Grove Digester	0.125	2,000.00
16,000	Disposal & Injection Fee-Norris Road	0.05	800.00
134	Mileage (Truck #2)	1.50	201.00
		0.00	0.00
3,000	Pumped 3,000 gallons septic December 19, 2005. Job Address: Elk Grove Digester	0.125	375.00
3,000	Disposal & Injection Fee-Norris Road	0.05	150.00
41	Mileage (Truck #1)	1.50	61.50

Thank you for your business.	Total	\$3,587.50
	Customer Total Balance	\$3,587.50

Phone #	Fax #
406-388-8238	406-388-8238



Lakeside Equipment Corporation

1022 E. Devon • P.O. Box 8448 • Bartlett, IL 60103
 PHONE: 630/837-5640 • FAX: 630/837-5647
 E-mail: sales@lakeside-equipment.com
 (00-207) BOZEMAN, MT

Water Purification Since 1928

SM
 O L D T O
 UTILITY SOLUTIONS
 (FOR ELK GROVE WWTF)
 224 ZOOTE WAY
 BOZEMAN, MT 59715

SM
 H I P T O
 UTILITY SOLUTIONS
 (FOR ELK GROVE WWTF)
 224 ZOOTE WAY
 BOZEMAN, MT 59715

INVOICE NO.
 05-1815

REF: P.O. # VERBAL
 ATTN: JIM JONES

JIM JONES

DATE OF ORDER
 12/12/05

YOUR ORDER NO.
 VERBAL

DATE OF INVOICE
 12/14/05

TERMS
 NET 30 DAYS

QUANTITY	DESCRIPTION	ROUTE	AMOUNT
2	A-21424 7/8" X .465 X 6" LG SHEAR FIN GALV. STEEL	UPS	56.00
3	#24 H.S. #30060 OIL SEAL FOR 5MCVD #C/R 13534		42.00
TOTAL			\$ 98.00

pd us # 3246
 11/16/06

PLEASE INCLUDE OUR INVOICE NO. WITH YOUR PAYMENT

A SERVICE CHARGE OF 1.5% PER MONTH (ANNUAL RATE OF 18%) WILL BE APPLIED TO ALL PAST DUE BALANCES (I.E. AFTER 30 DAYS). ALL PAST DUE ACCOUNTS ARE AT OUR DISCRETION.
 THE ABOVE ITEMS WERE SHIPPED ON THE DATE OF THIS INVOICE BY THE ROUTE INDICATED THEREON.



Lakeside Equipment Corporation

1022 E. Devon • P.O. Box 8448 • Bartlett, IL 60103
PHONE: 630/837-5640 • FAX: 630/837-5647
E-mail: sales@lakeside-equipment.com
(00-207) ROZEMAN, MT

Water Purification Since 1928

INVOICE NO.
05-1843

S^m UTILITY SOLUTIONS
L D 224 ZOOT WAY
T O ROZEMAN, MT 59715

S^m UTILITY SOLUTIONS
H I (FOR ELK GROVE W.W.T.P.)
P 224 ZOOT WAY
T O ROZEMAN, MT 59715

REF: P.O. # VERBAL
ATTN: JIM JONES

JIM JONES

DATE OF ORDER	YOUR ORDER NO.	DATE OF INVOICE	TERMS	ROUTE	AMOUNT
12/20/05	VERBAL	12-27-05	NET 30 DAYS	UPS 12-23	340.00
QUANTITY	DESCRIPTION				
1	1/2 HP 1200 RPM 3/60/230/460 VOLT 56C FRAME TEFC MOTOR WITH CLASS F INSULATION, FOOTLESS WITH CONDUIT BOX AND GASKETS FOR OUTDOOR OPERATION AND OUTPUT KEY MODEL #2048				
	TOTAL	\$ 340.00			

665

1/16/06
US # 3253

PLEASE INCLUDE OUR INVOICE NO. WITH YOUR PAYMENT

Industrial Systems, Inc.

325 16th Street West
 P. O. Box 20176
 Billings, MT 59104
 406/252-6671

Invoice

DATE	INVOICE NO.
1/31/2006	33469

BILL TO
Utility Solutions, LLC P. O. Box 10098 Bozeman, MT 59719

SHIP TO
Utility Solutions % Eric Campbell 105 North 7th Belgrade, MT 59714

P.O. NO.	TERMS	REP	SHIP DATE	SHIP VIA	ISI NO.
V: Eric	Net 30	RS	1/31/2006	UPS	15436

ITEM	DESCRIPTION	QTY SHIPPED	UNIT PRICE	AMOUNT
FS 1-1/2-60	Replacement Spin Down Filter with Filter Screen O-Ring	2	22.38	44.76
K-1 1/2	O-Ring Kit (includes small filter screen o-ring and large filter cover o-ring)	1	2.78	2.78
Shipping	UPS		5.18	5.18
<i>pd us # 3264 2/13/06</i>				
			Total	\$52.72

All accounts not paid in 30 days will be subject to a 1 1/2% per month service charge. The Annual Percentage Rate for this charge is 18%.



PHONE 587-9366 • FAX 585-2703 • 25 EAST MENDENHALL • P.O. BOX 1109 • BOZEMAN, MONTANA 59715
 STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANC
	12/09/05	743514	I	13.03	->30	
	12/12/05	745793	I	147.29	->30	
	12/15/05	749419	I	95.82	->30	
	12/20/05	753541	I	50.75	->30	
	12/20/05	753802	I	26.95	->30	
	12/22/05	755631	I	5.94	->30	
	12/22/05	755647	I	32.24	->30	
	1/05/06	767053	I	24.69	CT	24.6
	1/06/06	768456	I	8.82	CT	8.8

PAYMENTS & ADJUSTMENTS THIS PERIOD
 DATE CHECK # AMOUNT
 1/19/06 3239 360.14

*pd us #
 3270
 2/13/06*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
360.14	33.51	360.14-		33.

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 767053
 Invoice Date: 1/5/2006
 Invoice Amount: 24.69
 Customer PO #: JIM JONES



KENYON NOBLE
LUMBER AND HARDWARE
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OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 25 East Mendenhall • P.O. Box 1109
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 Sales: (406) 586-2384 • Fax: (406) 586-9540
 Contracting Sales: (406) 586-2371
 Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
 P.O. Box 1109-Bozeman
 Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 • Fax: (406) 222-6224



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SHIP TO

RETURN POLICY & TERMS ON BACK

TRANSACTION TYPE
INVOICE - INVOICE
TRANSACTION NUMBER
767053 PAGE# 1
ACCOUNT NUMBER
240400-00
STORE NO. 3
AMOUNT

SOLD TO: _____

DOUBLE-TREE INC.
 PD BOX 10098
 BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY	STORE NO.	LN#	AMOUNT			
JIM JONES		1/05/06	11/32 1/05/06	197 /JJK	3					
ORDERED	SHIPPED	LN#	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	LN#	AMOUNT		
1	EA	508329		RUBBER ELECTRICAL TAPE	1	2.06	EACH	2.06		
1	EA	717048		VICTON ATA YARD TARP	1	5.48	EACH	5.48		
1	EA	60503		R/R 88-HOLE BLDM DUT R/R	1	9.24	EACH	9.24		
1	EA	617084		19568006 270T STORAGE BOX	1	7.91	EACH	7.91		
					Delivered By	Fixed By	SUB TOTAL	SALES TAX	TOTAL	AMOUNT
							24.69		24.69	

RECEIVED BY: *Jim Jones* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 768456
 Invoice Date: 1/6/2006
 Invoice Amount: 8.82
 Customer PO #: JOHN



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SHIP TO

RETURN POLICY & TERMS ON BACK

TRANSACTION TYPE
INVOICE - INVOICE
TRANSACTION NUMBER
768456 PAGE# 1
ACCOUNT NUMBER
240400-00
STORE NO. 3
AMOUNT

SOLD TO: _____

DOUBLE-TREE INC.
 PD BOX 10098
 BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY	STORE NO.	LN#	AMOUNT			
JOHN		1/06/06	12/41 1/06/06	197 /JJK	3					
ORDERED	SHIPPED	LN#	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	LN#	AMOUNT		
5	EA	41818A		258-03-SD-NRI PAPER TOWEL-PW	5	1.76	EACH	8.80		
1	EA	1978935		1978935 3PK LEATHER PALM GLOVES	1	3.02	EACH	3.02		
					Delivered By	Fixed By	SUB TOTAL	SALES TAX	TOTAL	AMOUNT
							8.82		8.82	

RECEIVED BY: *Jim Jones* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE



Scenic City Enterprises, Inc.
 243 Poplar Drive
 Bozeman, MT 59718

Statement

Date

3/1/2006

To:

Utility Solutions
 P.O. Box 10098
 Bozeman, MT 59719

pd
US #
3306 3/1/06

Amount Due	Amount Enc.
\$2,486.00	

Date	Transaction	Amount	Balance
02/16/2006	INV #1516. Due 02/16/2006. Orig. Amount \$2,486.00.	2,486.00	2,486.00

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	2,486.00	0.00	0.00	0.00	\$2,486.00

Phone #	Fax #
406-388-8238	406-388-8238



PHONE (406)587-9366 • FAX (406)585-2703 • 1243 WEST OAK STREET • P.O. BOX 1109 • BOZEMAN, MONTANA 59711-110
 STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	1/05/06	767053	I	24.69	->30	
	1/06/06	768456	I	8.82	->30	
	2/01/06	795069	I	10.14	CT	10.14
	2/02/06	796343	I	92.52	CT	92.52
	2/02/06	796705	I	2.51	CT	2.51
	2/06/06	800605	I	4.95	CT	4.95
	2/17/06	813769	I	28.43	CT	28.43

PAYMENTS & ADJUSTMENTS THIS PERIOD
 DATE CHECK # AMOUNT
 2/14/06 3270 33.51

*pd
 US #3307
 3/9/06*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
33.51	138.55	33.51-		138.55

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 796343

Invoice Date: 2/2/2006

Invoice Amount: 92.52

Customer PO #: JOHN CLOSE



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OPEN 7 DAYS A WEEK AT 3 LOCATIONS
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Contracting Sales: (406) 586-2371
Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
P.O. Box 1109-Bozeman
Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
Livingston, Montana 59047
Sales: (406) 222-0761 • Fax: (406) 222-6224



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SOLD TO: _____

DOUBLE-TREE INC.
PO BOX 10099
BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY		STORE NO.	AMOUNT
JOHN CLOSE		2/02/06	12/02 2/02/06	JVY	JCB	210400-00	92.52
ORDERED	QUANTITY	DESCRIPTION	PRICE	UNIT	AMOUNT		
2 EA 608017	2	608017 32 GAL TRASH CAN(PH)	12.9900	EACH	25.98		
1 EA 61071P	1	1125X4 24" PUSH BROOM	30.5900	EACH	30.59		
1 EACH 616205	1	BUDDY BROOM	7.1900	EACH	7.19		
1 EA 60324A	1	1828 HWY DUTY MUST PAN	7.0100	EACH	7.01		
1 EACH 62641A	1	30 TM SQUEEGE 49A30C	18.6100	EACH	18.61		
1 EA 609617	1	336L DRW TRSH BAGS	3.1400	EACH	3.14		
					DELIVERED BY	FILED BY	SUB TOTAL
					ROOSEVELT STATION		92.52
							SALES TAX
							TOTAL
							92.52

RECEIVED BY: *John Close* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 796705

Invoice Date: 2/2/2006

Invoice Amount: 2.51

Customer PO #: JOHN CLOSE OK



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Contracting Sales: (406) 586-2371
Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703

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P.O. Box 1109-Bozeman
Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
Livingston, Montana 59047
Sales: (406) 222-0761 • Fax: (406) 222-6224



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SOLD TO: _____

DOUBLE-TREE INC.
PO BOX 10099
BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		INVOICED	ORDERED	SOLD BY		STORE NO.	AMOUNT
JOHN CLOSE		2/02/06	12/02 2/02/06	JVY	JCB	210400-00	2.51
ORDERED	QUANTITY	DESCRIPTION	PRICE	UNIT	AMOUNT		
1 EA 302556	1	160Z RUBBER HALLET	2.5100	EACH	2.51		
					DELIVERED BY	FILED BY	SUB TOTAL
							2.51
							SALES TAX
							TOTAL
							2.51

RECEIVED BY: *John Close* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Brenntag Pacific, Inc.

BRENNTAG



10747 Patterson Place
Santa Fe Springs, CA 90670

VOICE#: BPI548579 INV DATE: 3/14/06 *** PAGE 1 OF 1 ***
DUE DATE: 4/13/06

SOLD TO:
UTILITY SOLUTIONS
224 ZOOT WAY
PO BOX 10098
BOZEMAN MT 59719

SHIP TO:
ELKGROVE DEVELOPMENT
WATER TREATMENT PLANT
195 ELKGROVE LANE
ATTN: JEFF PHILLIPS
FOUR CORNERS MT 59718

FEDERAL ID #: XXXXXXXXX DATE SHIPPED: 3/14/06 TERMS . : NET 30
B/L # . . . : 286124-00 SHIP WHS: 20 SALESPERSON: 206
CUSTOMER # . : 298802 SHIP VIA: OUR TRUCK
CUSTOMER PO#: VERBAL FOB . . : DELIVERED
FRGT COMMENT: PREPAID

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
3590.0000	695809	11.260	3590.0000#	.1800	646.20
	1.0000 # BULK		FERRIC CHLORIDE 38-42% SOLUTIO	BLK	
			N		

*pd us
3337
4/15/06*

QUESTIONS, CALL 406-248-3131

* REMIT TO ADDRESS:	*		
* BRENNTAG PACIFIC, INC	*		
* FILE # 2674	*	MERCHANDISE	646.20
* LOS ANGELES CA 90074-2674	*	FUEL SURCHARGE	42.50
*****		INS & SEC SURCHARGE	25.00

PAID ON OR PRIOR TO 4/13/06 INVOICE TOTAL 713.70

PAID AFTER 4/13/06 INVOICE TOTAL 727.97

Original Document

(*) INDICATES THAT ITEM IS TAXABLE



PHONE (406)587-9366 • FAX (406)585-2703 • 1243 WEST OAK STREET • P.O. BOX 1109 • BOZEMAN, MONTANA 59711-110
 STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	2/01/06	795069	I	10.14	->30	
	2/02/06	796343	I	92.52	->30	
	2/02/06	796705	I	2.51	->30	
	2/06/06	800605	I	4.95	->30	
	2/17/06	813769	I	28.43	->30	
	3/01/06	827666	I	86.52	CT	86.52
	3/09/06	837958	I	18.78	CT	18.78

PAYMENTS & ADJUSTMENTS THIS PERIOD
 DATE CHECK # AMOUNT
 3/10/06 3307 138.55

pa
US\$ 3362
4/5/04

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
138.55	105.30	138.55-		105.30

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 827666
 Invoice Date: 3/1/2006
 Invoice Amount: 86.52
 Customer PO #: JIM



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Contracting Sales: (406) 586-2371
Bookkeeping: (406) 587-8368 • Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
P.O. Box 1109-Bozeman
Sales: (406) 388-8400 • Fax: (406) 388-7303

122 North F
Livingston, Montana 59047
Sales: (406) 222-0761 • Fax: (406) 222-6224



SHIP TO

TRANSACTION TYPE
--INVOICE - INVOICE--

TRANSACTION NUMBER
827666 PAGE# 1

ACCOUNT NUMBER
240400-00

STORE NO. ==> 3

SOLD TO: _____

DOUBLE-TREE INC.
PO BOX 1009B
BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		--INVOICED--		--ORDERED--		--SOLD BY--		ACCOUNT NUMBER	
JTR		3/01/06		11:54 3/01/06		MELIF/KNL		240400-00	
ORDERED	SHIPPED	QTY	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	UNIT	AMOUNT	
4	EA	618184	258-03 50-DRI PAPER TOWEL-PH-		4	.9900	EACH	3.96	
1	EACH	575810	75130 55CT ROLL SHOP TOWEL		1	3.1100	EACH	3.11	
1	EA	7628340	20625 25CT 30GL TRASH BAGS		1	7.9900	EACH	7.99	
2	EA	442685	70420 2 MALE ADAPTER		2	1.3400	EACH	2.68	
1	EA	428157	30120 2 PVC COUPLING		1	.9900	EACH	.99	
1	EA	323659	31-408 12" MEASURE WHEEL		1	67.4900	EACH	67.49	
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL
							86.52		86.52

RECEIVED BY: *Jim Jones* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 837958
 Invoice Date: 3/9/2006
 Invoice Amount: 18.78
 Customer PO #: JIM



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Bookkeeping: (406) 587-8368 • Fax: (406) 585-2703

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P.O. Box 1109-Bozeman
Sales: (406) 388-8400 • Fax: (406) 388-7303

122 North F
Livingston, Montana 59047
Sales: (406) 222-0761 • Fax: (406) 222-6224



SHIP TO

TRANSACTION TYPE
--INVOICE - INVOICE--

TRANSACTION NUMBER
837958 PAGE# 1

ACCOUNT NUMBER
240400-00

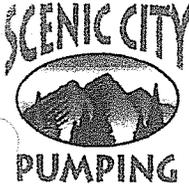
STORE NO. ==> 3

SOLD TO: _____

DOUBLE-TREE INC.
PO BOX 1009B
BOZEMAN MT 59719

CUSTOMER ORDER NUMBER		--INVOICED--		--ORDERED--		--SOLD BY--		ACCOUNT NUMBER	
JTR		3/09/06		4:58 3/09/06		CHRIST/KNL		240400-00	
ORDERED	SHIPPED	QTY	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	UNIT	AMOUNT	
5	E	262183	30204 21" GRAY F/6LS SCREEN PER FT.		5	4.4900	EACH	22.45	
2	EA	434854	571452 6"7 CLAMP		5	1.1600	EACH	5.80	
1	EACH	805033	1028001 NIMI BAG 2' X 4'		1	2.2500	EACH	2.25	
1	EA	809365	57112-B EPK #6 ALK BRITNEY		1	6.1100	EACH	6.11	
2	EA	618184	258-03 50-DRI PAPER TOWEL-PH-		2	.9900	EACH	1.98	
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL
							18.78		18.78

RECEIVED BY: *Jim Jones* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE



Scenic City Enterprises, Inc.

243 Poplar Drive
Bozeman, MT 59718

JTC

Invoice

Date	Invoice #
4/17/2006	1668

Bill To
Utility Solutions P.O. Box 10098 Bozeman, MT 59719

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
3,000	Pumped 3000 gallon septic April 13, 2006. Job Address: Elk Grove Digester	0.125	375.00
3,000	Disposal Fee-Norris Road	0.035	105.00
41	Mileage (Truck #1 Howard T)	1.50	61.50
4,000	Pumped 4000 gallons septic April 13, 2006. Job Address: Elk Grove Digester	0.125	500.00
4,000	Disposal Fee-Norris Road	0.035	140.00
41	Mileage (Truck #2 Howard L)	1.50	61.50

pd US # 3379

Thank you for your business.	Total	\$1,243.00
	Customer Total Balance	\$1,243.00

Phone #	Fax #
406-388-8238	406-388-8238

Bluebook

INVOICE

INVOICE NO.

PAGE

DATE

TEL: (847) 689-9781
FAX: (847) 689-3001
TOLL FREE: 1-800-493-9876
FELN: 36-3645787



Remitt to:
P.O. Box 9004
Chicago, IL 60609-9004

STYMER PO #	SHIP DATE	SALESPERSON	TERMS	TAX CODE	SALES ORDER #	W/H	FREIGHT	SHIP VIA
QTY #	DESCRIPTION	ORDERED	SHIPPED	BACK ORDER	U/M	PRICE	PER	EXTENSION
<i>pd US # 3382 \$15106</i>								

W/ YOU for your business!	MERCHANDISE	MISCELLANEOUS	DISCOUNT	TAX	FREIGHT	TOTAL DUE
DAILY CHARGE 30 DAYS PAST DUE <small>(cents) apply to merchandise only.</small>						

When necessary to refer your unpaid balance to a collection agency, a collection fee, not to exceed 25% of the amount referred plus reasonable attorney's fees; and court costs when necessary, will be added to the balance due.

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BlueBook

INVOICE

INVOICE NO.	
PAGE	
DATE	

TEL: (847) 689-9781
 FAX: (847) 689-3001
 TOLL FREE: 1-800-493-9876
 F.E.I.N.: 36-3645787

NEW
 Mail to:
 P.O. Box 9004
 Chicago, IL 60031-9004



ORDER P.O. #	SHIP DATE	SALESPERSON	TERMS	TAX CODE	SALES ORDER #	W/H	FREIGHT	SHIP VIA

#	DESCRIPTION	ORDERED	SHIPPED	BACK ORDER	U/M	PRICE	PER	EXTENSION

*pd us
3393
5/5/06*

YOU for your business!	MERCHANDISE	MISCELLANEOUS	DISCOUNT	TAX	FREIGHT	TOTAL DUE

DAILY CHARGE 30 DAYS PAST DUE
 Interest applies to merchandise only.

When necessary to refer your unpaid balance to a collection agency, a collection fee, not to exceed 25% of the amount referred; plus reasonable attorney's fees; and court costs when necessary, will be added to the balance due.



******IMPORTANT******
 Please include this customer # on the face of your remittance check.

S
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PHONE 587-9366 • FAX 585-2703 • 25 EAST MENDENHALL • P.O. BOX 1109 • BOZEMAN, MONTANA 59715
 STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	3/01/06	827666	I	86.52	->30	
	3/09/06	837958	I	18.78	->30	
	3/30/06	862964	I	119.00	CT	119.0
	4/18/06	886961	I	51.47	CT	51.4
	4/21/06	890942	I	11.69	CT	11.6

PAYMENTS & ADJUSTMENTS THIS PERIOD

DATE	CHECK #	AMOUNT
4/05/06	3362	105.30

*pd us # 3398
5/5/06*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
105.30	182.16	105.30-		182.

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 862964
 Invoice Date: 3/30/2006
 Invoice Amount: 119.00
 Customer PO #: JOHN CLOSE



Serving Montana Since 1889
 www.kenyon-noble.com



YOUR HARDWARE SPECIALISTS

SOLD TO

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN MT 59719



SHIP TO

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street - P.O. Box 1109
 Bozeman, Montana 59771-1109
 Sales: (406) 588-2384 - Fax: (406) 588-9540
 Contracting Sales: (406) 588-2371
 Bookkeeping: (406) 587-9366 - Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
 P.O. Box 1109-Bozeman
 Sales: (406) 388-8400 - Fax: (406) 388-7303

122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 - Fax: (406) 222-6224

RETURN POLICY &
 TERMS ON BACK

CUSTOMER ORDER NUMBER		--INVOICED--		--ORDERED--		--SOLD BY--		STORE NO. =>	
JOHN CLOSE		3/30/06		11:22 3/30/06		PAH/A/KHL		3	
ORDERED	SHIPPED	LINE	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	USE	AMOUNT	
		EA	7782B1	USA2208 B*300LB FIBERGLASS STEP LWR	1	119.0000	EACH	119.00	
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL
							119.00		119.00

RECEIVED BY: *J. Close*

THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

invoice #: 886961
 Invoice Date: 4/18/2006
 Invoice Amount: 51.47
 Customer PO #: JIM



Serving Montana Since 1889
 www.kenyon-noble.com



YOUR HARDWARE SPECIALISTS

SOLD TO

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN MT 59719



SHIP TO

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street - P.O. Box 1109
 Bozeman, Montana 59771-1109
 Sales: (406) 588-2384 - Fax: (406) 588-9540
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122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 - Fax: (406) 222-6224

RETURN POLICY &
 TERMS ON BACK

CUSTOMER ORDER NUMBER		--INVOICED--		--ORDERED--		--SOLD BY--		STORE NO. =>	
JIM		4/18/06		22:14 4/18/06		KTLA/KHL		3	
ORDERED	SHIPPED	LINE	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	USE	AMOUNT	
4		EA	224475	MESS309 ZINC BAR HOLDER	4	2.2400	EACH	8.96	
1		EA	332401	HZR 9-3/4 RIGHT CT SHIP	1	9.9700	EACH	9.97	
2		EA	624373	LRG LATEX GLOVES	2	1.3400	EACH	2.68	
1		EA	801186	LE98P-4 4PK ENERGIZER D BATTERY	1	6.1100	EACH	6.11	
4		EA	618184	258-03 50-DRI PAPER TOWEL-PH-	4	.9900	EACH	3.96	
1		EA	701006	8640-50 5/8" X 50' NEVERKINK HOSE	1	19.7900	EACH	19.79	
					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL
							51.47		51.47

RECEIVED BY: *Jim*

THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE



PHONE (406)587-9366 • FAX (406)585-2703 • 1243 WEST OAK STREET • P.O. BOX 1109 • BOZEMAN, MONTANA 59771-110
STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
PO BOX 10098
BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	3/30/06	862964	I	119.00	->30	
	4/18/06	886961	I	51.47	->30	
	4/21/06	890942	I	11.69	->30	
	5/11/06	922805	I	42.59	CT	42.59
	5/16/06	931060	I	27.09	CT	27.09
	5/17/06	932788	I	41.71	CT	41.71

PAYMENTS & ADJUSTMENTS THIS PERIOD

DATE	CHECK #	AMOUNT
5/08/06	3398	182.16

*pd
US # 3426
6/13/06*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALAN
182.16	111.39	182.16-		111.39

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 922805
 Invoice Date: 5/11/2006
 Invoice Amount: 42.59
 Customer PO #: JIM JONES



OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street P.O. Box 1109
 Bozeman, MT 59711-1109
 Sales: (406) 586-2304 • Fax: (406) 586-9540
 Contracting Sales: (406) 587-9366 • Fax: (406) 585-2703
 Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703
 4949 Jackrabbit Lane - Belgrade
 P.O. Box 1109 - Bozeman
 Sales: (406) 688-6400 - Fax: (406) 388-7300
 122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 • Fax: (406) 222-6224
 TRUSS DIVISION
 4850 Jackrabbit Lane
 Belgrade, Montana 59714
 Sales: (406) 586-0539 • Fax: (406) 586-0539
 Open Monday-Friday
 Lumber, Hardware & Home Improvement
 www.kenyonnoble.com



SHIP TO

RETURN POLICY & TERMS ON BACK

SOLD TO: DOUBLE-TREE INC., PO BOX 10098, BOZEMAN MT 59719

CUSTOMER ORDER NUMBER: JIM JONES 5/11/06

ORDERED	SHIPPED	U/M	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	U/M	AMOUNT
1	EA	EA	619184	258-63 50-GR1 PAPER TOWEL-PH-	4	.9900	EACH	3.96
1	EA	EA	617989	50646 160Z 750P ALCOHOL	1	1.6100	EACH	1.61
1	EA	EA	780464	5.50Z 50" TUBE SASHED CLEAR LEVEL C	1	4.3100	EACH	4.31
1	EA	EA	608295	8ASIN WRENCH	1	5.6600	EACH	5.66
1	EA	EA	6670	6C-70 BARDEN CULTIVATOR	1	13.7600	EACH	13.76
1	EA	EA	393843	210016 OUTDOOR EOOD BLUE	1	6.1100	EACH	6.11
1	EA	EA	0122278	122278 25' 1/4 BRAIDED WIRE	1	1.6100	EACH	1.61
2	EA	EA	428031	6716153 3/4 TO 1-1/2 CLAMP	2	.9900	EACH	1.98
2	EACH	EACH	407852	2712153 1/2TO1-1/4 CLAMP	2	.9900	EACH	1.98
1	EACH	EACH	745267	10K3 50Y FIXING CONTAINER	1	1.6100	EACH	1.61

Delivered By: [Signature] Filed By: [Signature] SUB TOTAL: 42.59 SALES TAX: TOTAL: 42.59

RECEIVED BY: *Jim Jones* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 931060
 Invoice Date: 5/16/2006
 Invoice Amount: 27.09
 Customer PO #: BARBARA C.

THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

RECEIVED BY: *Barbara C.*

Delivered By: [Signature] Filed By: [Signature] SUB TOTAL: 27.09 SALES TAX: TOTAL: 27.09

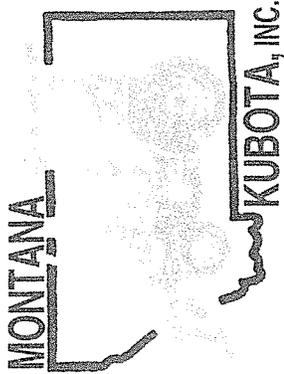
CUSTOMER ORDER NUMBER: BARBARA C. 5/16/06

ORDERED	SHIPPED	U/M	SKU NUMBER	DESCRIPTION	QUANTITY	PRICE	U/M	AMOUNT
1	EA	EA	700225	12X14 BLUE-REDLINE BUTY TAP	1	11.2500	EACH	11.25
1	EA	EA	19900	MAILS BULK	16	1.75	EACH	28.00

Delivered By: [Signature] Filed By: [Signature] SUB TOTAL: 27.09 SALES TAX: TOTAL: 27.09

Kenyon Noble Lumber Hardware logo and contact information:

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street P.O. Box 1109
 Bozeman, MT 59711-1109
 Sales: (406) 586-2304 • Fax: (406) 586-9540
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 Sales: (406) 222-0761 • Fax: (406) 222-6224
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 Sales: (406) 586-0539 • Fax: (406) 586-0539
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 Lumber, Hardware & Home Improvement
 www.kenyonnoble.com



18 Forkhorn Trail • Bozeman, Montana 59718
Phone (406) 522-8769 • FAX (406) 522-8702
Toll Free 1-888-898-8805

Kubota



SOLD TO

SHIP TO

Handwritten text: "part # 401100" and "part # 401100"

PAY THIS AMOUNT

NOTICE: SEE ACCOMPANYING STATEMENT ON BACK FOR IMPORTANT INFORMATION REGARDING YOUR RIGHTS TO DISPUTE BILLING ERRORS.

DATE	INVOICE	DESCRIPTION	CHARGES	CREDITS	BALANCE
	0507	Balance Forward IN06729 **TOP LINK		31.93	31.93
		COME SEE OUR NEW PRODUCT LINE ASV POSI-TRACK RUBBER TRACK LOADERS NEW GENERATION OF LOADERS JUST INTRODUCED STOP BY AND TAKE A LOOK			
BEGINNING BALANCE		CHARGES	CREDITS		NEW BALANCE
Current		31.93			31.93
	30 Days Past Due				
	60 Days Past Due				
	90 Days & Over				
	31.93				Service Charge

A FINANCE CHARGE OF 1 1/2% PER MONTH WILL BE CHARGED TO ALL ACCOUNTS NOT PAID BY THE 10TH OF THE

JOZ

Mountain Locksmithing & Security Center, Inc. (AKA Dave's Key Shop)

Winston, Carol &
Jim Morrissey

210 North 7th Avenue
Bozeman, MT 59715
Phone 406-586-5187 Fax 406-586-0083

Date
5/31/2006

Double Tree, Inc.
PO Box 10098
Bozeman, MT 59719-0098

TERMS:
Accounts are due in full and payable on or before the tenth of the month following the month during which the charge was made. FINANCE CHARGE: All past due accounts are subject to ANNUAL PERCENTAGE RATE OF 24% on the unpaid balance. The minimum FINANCE CHARGE will be ONE DOLLAR PER MONTH.

Statement

Date	Transaction	Amount	Balance		
03/31/2006	Balance forward		0.00		
05/19/2006	INV #21202.	138.00	138.00		
05/19/2006	INV #21208.	41.00	179.00		
<i>pd US # 3448 6/16/06</i>					
Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
179.00	0.00	0.00	0.00	0.00	\$179.00

Scenic City Enterprises, Inc.

243 Poplar Drive
Bozeman, MT 59718

Invoice

Date	Invoice #
7/7/2006	1920

Bill To
Utility Solutions P.O. Box 10098 Bozeman, MT 59719

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
6,000	Pumped 6000 gallons septic July 6, 2006. Job Address: Elk Grove Digester	0.15	900.00
6,000	Disposal Fee-Norris Road (Truck #1) Two loads at 3000 gallons each	0.035	210.00
16,000	Pumped 16,000 gallons septic July 6, 2006. Job Address: Elk Grove Digester	0.15	2,400.00
16,000	Disposal Fee-Norris Road (Truck #2) Four loads at 4000 gallons each	0.035	560.00
	No Mileage Fee		

*pd US #
3494
7/13/06*

Thank you for your business.	Total	\$4,070.00
	Customer Total Balance	\$4,270.00

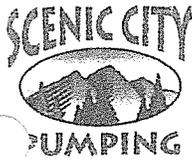
Phone #	Fax #
406-388-8238	406-388-8238

Date

12/4/2006

To:
 Utility Solutions
 P.O. Box 10098
 Bozeman, MT 59719

					Amount Due	Amount Enc.
					\$687.50	
Date	Transaction				Amount	Balance
11/16/2006	INV #2344. Due 11/16/2006. Orig. Amount \$187.50.				187.50 ✓	187.50
11/16/2006	INV #2345. Due 11/16/2006. Orig. Amount \$300.00.				300.00 ✓	487.50
11/16/2006	INV #2347. Due 11/16/2006. Orig. Amount \$200.00. <i>pa by Utility</i>				200.00	687.50
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due	
0.00	687.50	0.00	0.00	0.00	\$687.50	
Phone #	Fax #					
406-388-8238	406-388-8238					



Scenic City Enterprises, Inc.

320 Pollywog Lane
Belgrade, MT. 59714

Invoice

Date	Invoice #
10/17/2006	2272

Bill To
Utility Solutions P.O. Box 10098 Bozeman, MT 59719

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
8,000	Pumped 8000 gallons septic October 12, 2006. Two loads at 4000 gallons each. Job Address: Elk Grove Digester	0.125	1,000.00
8,000	Disposal & Injection Fee-Norris Road (Truck #2)	0.05	400.00
2,000	Pumped 2000 gallons septic October 12, 2006. Job Adders: Elk Grove Digester	0.125	250.00
2,000	Disposal & Injection Fee-Norris Road (Truck #1)	0.05	100.00
90	Mileage - Three Trips- (Truck #2 & Truck #1)	1.50	135.00
11,000	Pumped 11000 gallons septic October 13, 2006. Two loads at 4000 gallons and one load at 3000 gallons. Job Address: Elk Grove Digester	0.125	1,375.00
11,000	Disposal & Injection Fee-Norris Road (Truck #2)	0.05	550.00
9,000	Pumped 9000 gallons septic October 13, 2006. Three loads at 3000 gallons each. Job Address: Elk Grove Digester	0.05	450.00
9,000	Disposal & Injection Fee-Norris Road (Truck #1)	0.05	450.00
180	Mileage -Six Trips- (Truck #2 & Truck #1)	1.50	270.00

Thank you for your business.

Total \$4,980.00

Customer Total Balance \$4,780.00

Phone #	Fax #
406-388-8238	406-388-8238

1:59 PM

01/18/08

Accrual Basis

Utility Solutions, LLC Transaction Detail By Account January through December 2006

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - District										
Maintenance										
Check	2/10/2006	3283		Mountain Locksmith...	20409		Cash - Stock...	497.85		497.85
Check	3/27/2006	3331		James Jones	Zoot generat...		Cash - Stock...	116.34		614.19
Check	4/4/2006	3343		RJ Associates			Cash - Stock...	227.50		841.69
Check	5/5/2006	3380		USA BlueBook	147984		Cash - Stock...	807.37		1,649.06
Check	5/5/2006	3398		Kenyon Noble			Cash - Stock...	119.00		1,768.06
Check	6/16/2006	3443		AWWS	598		Cash - Stock...	910.00		2,678.06
Check	6/16/2006	3445		Williams Plumbing ...	C-1 Lift Statio...		Cash - Stock...	2,151.19		4,829.25
Check	7/13/2006	3493		AquaTech, Inc.	5854166		Cash - Stock...	793.64		5,622.89
Check	7/13/2006	3494		Sunshine Irrigation			Cash - Stock...	58.75		5,681.64
Total Maintenance								5,681.64	0.00	5,681.64
Total Sewer Service - District								5,681.64	0.00	5,681.64
TOTAL								5,681.64	0.00	5,681.64

Line 58 workbook 2
Pg 2 of 3

Mountain Locksmithing & Security Center, Inc. (AKA Dave's Key Shop)

Winston, Carole &
Jim Morrissey

210 North 7th Avenue
Bozeman, MT 59715
Phone 406-586-5187 Fax 406-586-0083

Date

2/1/2006

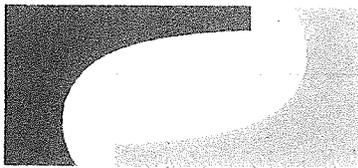
Double Tree, Inc.
PO Box 10098
Bozeman, MT 59719-0098

TERMS:
Accounts are due in full and payable on or before the tenth of the month following the month during which the charge was made. **FINANCE CHARGE:** All past due accounts are subject to **ANNUAL PERCENTAGE RATE OF 24%** on the unpaid balance. The minimum **FINANCE CHARGE** will be **ONE DOLLAR PER MONTH.**

Statement

Date	Transaction	Amount	Balance		
12/31/2005	Balance forward		0.00		
01/08/2006	INV #20409.	497.85	497.85		
<p><i>pd US # 3283 2/13/06</i></p>					
Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
497.85	0.00	0.00	0.00	0.00	\$497.85

Thank you for your business



RJ ASSOCIATES INC

DESIGN/BUILD

RJ Associates, Inc. Design/Build

96 Old Milwaukee, Dr.

Bozeman, MT 59718

Invoice

Date	Invoice #
3/17/2006	97420

Bill To
Utility Solutions P.O. Box 10098 Bozeman, MT 59719

pd US # 3348
4/15/06

P.O. No.	Terms	Project
	Due on receipt	NorthStar Pum...

Quantity	Description	Rate	Amount
6.5	21.3 Cabinet Counter Tops - modification of countertop, drill grommets holes, install shelf Work requested by John Close for the NorthStar Booster building	35.00	227.50

We appreciate your prompt payment.	Total	\$227.50
------------------------------------	--------------	----------

Design Services / Land Development / General Contracting / Consulting

INVOICE NO.	
PAGE	
DATE	

NEW
 Remit to:
 P.O. Box 9004
 Gurnee, IL 60031-9004



TEL: (847) 689-9781
 FAX: (847) 689-3001
 TOLL FREE: 1-800-493-9876
 FEE LN: 36-3645787

CUSTOMER P.O. #	SHIP DATE	SALESPERSON	TERMS	TAX CODE	SALES ORDER #	WH	FREIGHT	SHIP VIA

USA STOCK #	DESCRIPTION	ORDERED	SHIPPED	BACK ORDER	U/M	PRICE	PER	EXTENSION

*DSG
 per US # 3380
 \$1510*

THANK YOU for your business!	MERCHANDISE	MISCELLANEOUS	DISCOUNT	TAX	FREIGHT	TOTAL DUE

1% MONTHLY CHARGE 30 DAYS PAST DUE
 Discounts apply to merchandise only.

Should it become necessary to refer your unpaid balance to a collection agency, a collection fee, not to exceed 25% of the balance referred; plus reasonable attorney's fees; and court costs when necessary, will be added to the balance due.

PLEASE INCLUDE THIS CUSTOMER # ON THE FACE OF ALL REMITTANCES

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AWWS- Advanced WasteWater Specialists

P.O. 796 Livingston, MT 59047
406-640-7004

INVOICE

598

May 10, 2006

Utility Solutions
John Close
PO Box 10098
Bozeman, MT 59719

539-6142
585-4169

Please make check payable to: AWWS
Due Upon Receipt

Repairs

Description	Rate	Qty/Hrs	Charges
8 Service Call. Check out pumps- Change oil in #2 pump. 2 technicians.	\$140.00	5.0	\$700.00
Truck and crane	\$75.00	1.0	\$75.00
Travel	\$70.00	0.5	\$35.00
Repairs sub total:		6.5	\$810.00

Parts

Description	Qty	Price	Charges
Pump Oil	5	\$20.00	\$100.00
Parts sub total:			\$100.00

Recommendations:

Future services will be billed at 160.00 per pump plus parts.

Deposit Paid:	
Labor:	\$810.00
Parts:	\$100.00
Total:	\$910.00
Amount Paid:	
Balance Due:	\$910.00

Signature

DSE

pd
US # 3443
6/19/06

AWWS Advanced WasteWater Specialists, llc
**Residential and Commercial
Waste Water Treatment**

OK
JPC

State-of-the-Art Onsite Products and Services

Todd King P.O. Box 796 Livingston, MT 59047 - Ph: 406-640-7004 toddking@yahoo.com

May 16, 2006

Utility Solutions
John Close
P.O. Box 10098
Bozeman, MT 59719

Dear John,

Enclosed please find an invoice for the service call we made on May 8, 2006. I have also enclosed the necessary tax information, etc.

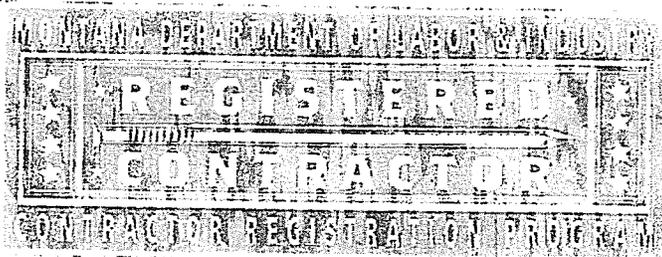
Todd has informed me that you are interested in a service agreement for the systems at the subdivision in Four Corners. Before I can give you a price for such an agreement I will need to know the total number of pumps, floats and transducers. I can let you know that the cost is 160.00 per pump plus parts and approximately 30.00 per transducer. Service calls will be billed out at 85.00 per hour. I also need the name of the subdivision for our records.

Advanced WasteWater Specialists appreciates the opportunity to provide this valuable service and looks forward to working with you in the future.

Sincerely,


Kimberly King
406-640-1667

W-9 for
Todd King
Advanced Wastewater
Specialists, LLC



STATE OF MONTANA
DEPARTMENT OF LABOR & INDUSTRY
★
CONSTRUCTION CONTRACTOR REGISTRATION UNIT

CERTIFICATE OF
CONTRACTOR REGISTRATION

REGISTRATION No. 152454

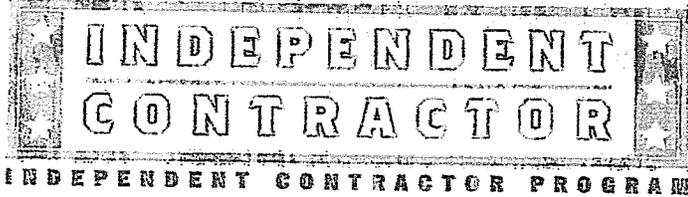
ADVANCED WASTEWATER SPECIALISTS
PO BOX 796
LIVINGSTON, MT 59047

Effective Date: Feb 14, 2006
Expiration Date: Feb 14, 2008

Employer



MONTANA DEPARTMENT OF LABOR & INDUSTRY



STATE OF MONTANA
DEPARTMENT OF LABOR & INDUSTRY



INDEPENDENT CONTRACTOR
EXEMPTION CERTIFICATE

THIS CERTIFICATE CERTIFIES THAT

TODD N KING
PO BOX 796
LIVINGSTON MT 59047

has sworn to the Department of Labor and Industry that this person is:

- a (C)go in an independent, self-employed, cooperative, profession or business; and
- is the financial master or in control of hiring agents over the performance of the person's services, both in the contract and in fact, when acting as an independent contractor.

The certificate holder has provided the Department of Labor and Industry sufficient documentation to conclude the certificate holder has an established business. In reliance on that evidence, the Department of Labor and Industry has granted this independent contractor exemption certificate to the person named above.

The certificate holder has waived all rights and benefits under the Workers' Compensation and Occupational Disease Acts of Montana and is not required to be personally covered by workers' compensation insurance. The certificate holder has acknowledged the certificate holder is responsible for all taxes related to work performed under the Certificate.

Any certificate holder, hiring agent, employer, or any other person who violates the independent contractor provisions of Title 39, Chapter 71, MCA, may be subject to a \$1,000 fine and other penalties provided by law.

This Certificate is applicable to the following occupation(s):

INSTALL, SERVICE, MAINTAIN WASTE WATER TREATMENT SYSTEMS

Effective Dates February 14, 2006 to February 14, 2008

This Certificate only applies to the above named person for the listed occupation(s) and does not include any employees the person may hire or any other subcontractors hired by the above named person. Montana law provides that this Certificate creates a conclusive presumption of this person's status as an independent contractor.

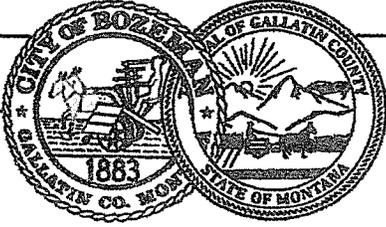
STATE OF MONTANA AGENTS:

It is advisable to accept only an original certificate. An original certificate bears a watermark and is on colored paper.

Please notify the Department of Labor and Industry of any changes to this Certificate.

[406] 444-9029 • [406] 444-3465 fax • [406] 444-5549 [TDD] • Box 8011 Helena, MT 59604-8011

Driver's License &
Social Security
Information for
Todd King



Gallatin City-County Health Department

Human Services
12 N. 3rd Ave
Bozeman, MT 59715
406-582-3100 • FAX 406-582-3112

Environmental Health Services
311 West Main, Room 108
Bozeman, MT 59715
406-582-3120 • FAX 406-582-3128

Installer Registration of Competency

February 1, 2005

Todd King
Advanced Wastewater Specialists
PO Box 796
Livingston, MT 59047

Dear Todd,

In accordance with Section 9 of the Regulations for Wastewater Treatment Systems (effective June 27, 2004), to install septic systems in Gallatin County a person must successfully complete the Installer Registration Exam with a score of 80% or better.

Installer registrations of competency under these regulations shall be valid for a two (2) year time period from February 1 through January 31. You took the exam on 01/24/2005 and received a score of 95%. Exams will be disposed of on March 1, 2005. You are encouraged to come into the office to review any incorrect answers. Your registration will expire on January 31, 2007.

Please keep this letter for your records as proof of registration.

Please do not hesitate to call if you have any questions.

Sincerely,

Erin Lindt RS

Environmental Health Services

C: Installer's File

Madison County
P.O. Box 278, Virginia City, Montana, 59755

Septic Installer License

Issued to: Todd King
Johnson Lester 12/31/2006
Sanitarian Expires

Williams Plumbing, Heating & Utilities, Inc.
 P.O. Box 19
 2131 Industrial Drive
 Bozeman, MT 59771-0010
 Phone: (406) 587-0969
 Phone: (406) 586-6998 Service Department
 Phone: (406) 922-3121 Accounts Receivable
 Phone: (406) 585-9458

INVOICE



Invoice Number : 6238-01
 Invoice Date : 05/25/2006
 Customer Number : UTILSO
 Job Number : 623806
 Due Date : 06/24/2006

Bill To: UTILITY SOLUTIONS
 PO BOX 10098

 BOZEMAN, MT 59719

C-1 LIFT STTN (SIMPSON)
 FOUR CORNERS
 BOZEMAN MT

-022

DATE	DESCRIPTION	QTY	UM	RATE	AMOUNT
05/26/2006	MATERIALS				13.76
5/26/2006	LABOR				803.21
5/26/2006	EQUIPMENT				1,053.64
05/26/2006	15% P&O				280.58
	WO # 67349 - C-1 LIFT STATION - DENNIS SIMPSON SERVICE				
	TOTAL COMPLETED & STORED				2,151.19
	CURRENT AMOUNT DUE:				2,151.19

*pd
 US # 3445
 6/19/06*

TERMS: Net 10th of month. A FINANCE CHARGE OF 1 1/4% PER MONTH will be added to past due accounts. This is an ANNUAL RATE OF 15%. In the event collection action is necessary, customers agree to pay collection costs, including court costs and reasonable attorney fees.



PHONE 587-9366 • FAX 585-2703 • 25 EAST MENDENHALL • P.O. BOX 1109 • BOZEMAN, MONTANA 59715
 STORES IN BOZEMAN, BELGRADE AND LIVINGSTON • OPEN 7 DAYS A WEEK

STATEMENT

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN, MT 59719

LOC	DATE	REF#	TT	AMOUNT	AGING	BALANCE
	3/01/06	827666	I	86.52	->30	
	3/09/06	837958	I	18.78	->30	
	3/30/06	862964	I	119.00	CT	119.00
	4/18/06	886961	I	51.47	CT	51.47
	4/21/06	890942	I	11.69	CT	11.69

PAYMENTS & ADJUSTMENTS THIS PERIOD
 DATE CHECK # AMOUNT
 4/05/06 3362 105.30

*pd us \$ 3398
 5/5/06*

PREV BALANCE	CURRENT CHGS/CRD	CURRENT PAID AMT	FINANCE CHARGES	NEW BALANCE
105.30	182.16	105.30-		182.16

All accounts are due by the 10TH

> 30 DAYS > 60 DAYS > 90 DAYS > 120 DAYS

TT CODE: I=INV C=CREDIT P=PAYMENT A=ADJUSTMENT

Invoice(s)

Invoice #: 862964
 Invoice Date: 3/30/2006
 Invoice Amount: 119.00
 Customer PO #: JOHN CLOSE



LUMBER AND HARDWARE

Serving Montana Since 1889
 www.kenyon-noble.com



YOUR HARDWARE SPECIALISTS

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street - P.O. Box 1109
 Bozeman, Montana 59711-1109
 Sales: (406) 586-2384 • Fax: (406) 586-8540
 Contracting Sales: (406) 586-2371
 Bookkeeping: (406) 587-9366 • Fax: (406) 585-2703

4949 Jackrabbit Lane-Belgrade
 P.O. Box 1109-Bozeman
 Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 • Fax: (406) 222-6224



SHIP TO

RETURN POLICY & TERMS ON BACK

SOLD TO

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN MT 59719

TRANSACTION TYPE
--- INVOICE - INVOICE ---
TRANSACTION NUMBER
862964 PAGE# 1
ACCOUNT NUMBER
240400-00

ORDERED	QUANTITY	PRICE	UNIT	AMOUNT												
1	1	119.0000	EACH	119.00												
<table border="1"> <tr> <td>Delivered By</td> <td>Filed By</td> <td>SUB TOTAL</td> <td>SALES TAX</td> <td>TOTAL</td> <td>119.00</td> </tr> <tr> <td></td> <td></td> <td>119.00</td> <td></td> <td></td> <td></td> </tr> </table>					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	119.00			119.00			
Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	119.00											
		119.00														

RECEIVED BY: *John Close* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE

Invoice #: 886961
 Invoice Date: 4/18/2006
 Invoice Amount: 51.47
 Customer PO #: JIM



LUMBER AND HARDWARE

Serving Montana Since 1889
 www.kenyon-noble.com



YOUR HARDWARE SPECIALISTS

OPEN 7 DAYS A WEEK AT 3 LOCATIONS
 1243 West Oak Street - P.O. Box 1109
 Bozeman, Montana 59711-1109
 Sales: (406) 586-2384 • Fax: (406) 586-8540
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 Sales: (406) 388-6400 • Fax: (406) 388-7303

122 North F
 Livingston, Montana 59047
 Sales: (406) 222-0761 • Fax: (406) 222-6224



SHIP TO

RETURN POLICY & TERMS ON BACK

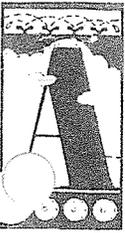
SOLD TO

DOUBLE-TREE INC.
 PO BOX 10098
 BOZEMAN MT 59719

TRANSACTION TYPE
--- INVOICE - INVOICE ---
TRANSACTION NUMBER
886961 PAGE# 1
ACCOUNT NUMBER
240400-00

ORDERED	QUANTITY	PRICE	UNIT	AMOUNT												
4	4	2.2400	EACH	8.96												
1	1	9.9700	EACH	9.97												
2	2	1.3400	EACH	2.68												
1	1	5.1100	EACH	5.11												
4	4	.9900	EACH	3.96												
1	1	19.7900	EACH	19.79												
<table border="1"> <tr> <td>Delivered By</td> <td>Filed By</td> <td>SUB TOTAL</td> <td>SALES TAX</td> <td>TOTAL</td> <td>51.47</td> </tr> <tr> <td></td> <td></td> <td>51.47</td> <td></td> <td></td> <td></td> </tr> </table>					Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	51.47			51.47			
Delivered By	Filed By	SUB TOTAL	SALES TAX	TOTAL	51.47											
		51.47														

RECEIVED BY: *Jim* THANK YOU FOR SHOPPING YOUR LOCALLY OWNED KENYON NOBLE



AquaTech.INC.

210 Arden Drive Belgrade, MT 59714
(406) 388-3315 800-426-4921

INVOICE

5702 Stearns Circle
Billings, MT 59101
(406) 248-4418

1045 Selway Drive
Dillon, MT 59725
(406) 683-4418

DATE: _____

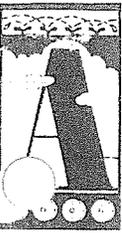
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CUST. ORDER NO.	DATE SHIPPED	SHIPPED VIA	TERMS	SALESMAN	F.O.B.	OUR ORDER NO.
-----------------	--------------	-------------	-------	----------	--------	---------------

QTY ORDERED	B/O	QTY SHIPPED	DESCRIPTION	UNIT PRICE	AMOUNT
			<p>US ck # 571 to Vern Smith for irrigation pipe</p> <p>1890.⁰⁰</p>		

All invoices & account balances are due and payable by the 10th of the month following date of purchase. A 1.5% (18% APR) finance charge may be assessed on all unpaid balances of any account (\$1.50 minimum). Should any accounts be referred for outside collection, buyer agrees to pay all collection costs, attorney's fees, & court costs. Any Checks returned to us by our bank will be assessed an additional \$30 charge.



AquaTech.INC.

210 Arden Drive Belgrade, MT 59714
(406) 388-3315 800-426-4921

INVOICE

5702 Stearns Circle
Billings, MT 59101
(406) 248-4418

1045 Selway Drive
Dillon, MT 59725
(406) 683-4418

DATE: 08/17/01

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CUST. ORDER NO.	DATE SHIPPED	SHIPPED VIA	TERMS	SALESMAN	F.O.B.	OUR ORDER NO.
-----------------	--------------	-------------	-------	----------	--------	---------------

QTY ORDERED	B/O	QTY SHIPPED	DESCRIPTION	UNIT PRICE	AMOUNT

All invoices & account balances are due and payable by the 10th of the month following date of purchase. A 1.5% (18% APR) finance charge may be assessed on all unpaid balances of any account (\$1.50 minimum). Should any accounts be referred for outside collection, buyer agrees to pay all collection costs, attorney's fees, & court costs. Any Checks returned to us by our bank will be assessed an additional \$30 charge.



SUNSHINE IRRIGATION
 GREENFIELD IRRIGATION GRASSMART

SUNSHINE IRRIGATION L.L.C.
 28689 NORRIS RD.
 BOZEMAN, MT 59718

INVOICE

DATE: 06/23/06
 SALES REP.: MASON HONE

INVOICE TO:
DOUBLE TREE INVOICE #65143

QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE
4	RB 30	\$12.95	\$51.80
1	4" AM GASKET	\$4.95	\$4.95
4	NOZZLE	\$0.50	\$2.00
"JUST ADD WATER"		SUB-TOTAL:	\$58.75
		TOTAL:	\$58.75

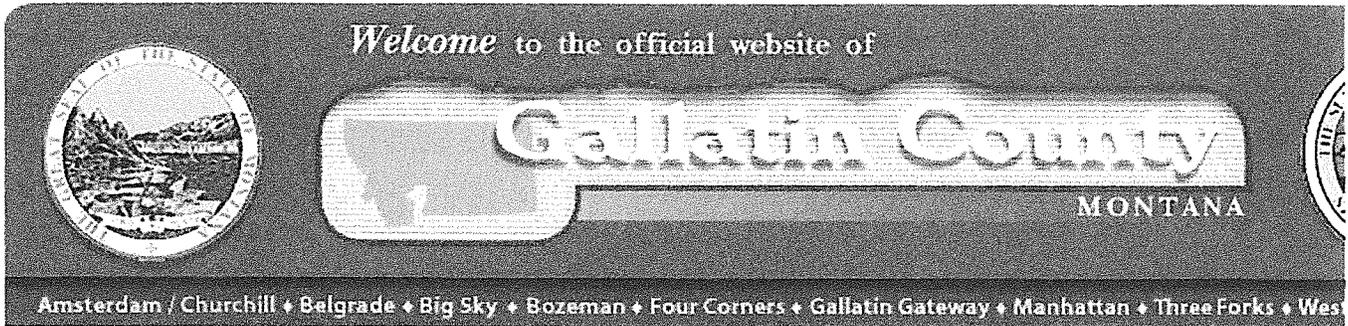
u-s

PAYMENT DUE UPON RECEIPT. WE APPRECIATE YOUR BUSINESS

pd u-s # 3494
 7/13/06

Exhibit PSC-015c

Workpaper - 2			Actual			
Sewer Service District						
Property Tax Line 60				1st Half	2nd Half	Total
	Lot C1 2nd 1/2 Taxes	374	Lot C1	391	374	765
	Rainbow Lots 2nd 1/2 Taxes	2277	Rainbow		2277	2277
	Total Line 60	2651		Total Line 60		3042
Sewer Service Elk Grove						
Property Tax Line 73						
	EG UL 2 IP Cells 2nd 1/2	381	UL 2	357	381	738
	EG UL 3 WWTP 2nd 1/2	2925	UL 3	2788	2925	5713
	Total Line 73	3306		Total Line 73		6451
Water Service District						
Property Tax Line 82						
	Lot C1 1st 1/2 Taxes	391				
	Lot UL1 Booster Tank 1st 1/2	2788				
	Lot UL2 IP Cells 1st 1/2	357				
	Lot UL3 WWTP 1st 1/2	1086				
	Total Line 82	4622				
Water Service Elk Grove						
Property Tax Line 103						
	Lot UL1 Booster Tank 2nd 1/2	1153	UL 1	1086	1153	2239
	Total Line 103	1153		Total Line 103		2239
	TOTAL	11732		TOTAL		11732



New Search

History

Payoff

Tax ID: RGF11855**Status:** Current**Receipt:** 11855**Owner(s):**
UTILITY SOLUTIONS LLC**Mailing Address:**PO BOX 10098
BOZEMAN, MT 597190098**Levy District:**

0363-13, 27 Monforton-GGF-GP

2007 Value:

Market: \$54,741.00
Taxable: \$1,681.00

2007 Taxes:

First Half: \$396.35
Second Half: \$390.35
Total: \$786.70
City Taxes: \$0.00

2007 Payments:

First Half: \$396.35
Second Half: \$390.35
Total: \$786.70

Legal Records:

Geo Code: 06-0797-14-4-05-85-0000 **Deed Book:** 2131 **Page:** 624D **Date:** 11/13/2003
Property address: HWY 191
Subdivision: (RAS) Rainbow Subdivision **Lot:** 0C1 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-41-N
LOT C1
SEC 14 2S 4E 11.114AC
RAINBOW SUB AMND**Note:** Property Tax data was last updated 01/17/2008**Payments can be sent to:**Gallatin County Treasurer
311 West Main, Room 210
Bozeman, MT 59715**Please direct any questions to:**(406)582-3030 or treasurer@gallatin.mt.gov

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New Search
 Detail
 Payoff

Tax ID: RGF11855

Status: Current

Type: RE

Owner: UTILITY SOLUTIONS LLC

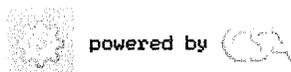
History:

Year	Statement #	Bill Date	Bill Amount	Date Paid	Paid Amount
2007	11855	10/18/2007	\$786.70	11/15/2007	\$396.35
				12/06/2007	\$390.35
2006	11855	10/18/2006	\$748.21	11/14/2006	\$374.11 -
				05/29/2007	\$374.10
2005	11855	10/24/2005	\$781.82	11/23/2005	\$390.92
				05/11/2006	\$390.90 -
2004	11855	10/18/2004	\$752.52	11/08/2004	\$376.26
				05/31/2005	\$376.26
2003	11855	10/20/2003	\$784.29	11/18/2003	\$392.16
				11/18/2003	\$392.13
2002	11855	10/12/2002	\$915.79	11/18/2003	\$512.85
				11/18/2003	\$489.92
2001	11855	10/13/2001	\$741.06	12/21/2001	\$381.02
				12/21/2001	\$370.52

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
 Gallatin County Treasurer
 311 West Main, Room 210
 Bozeman, MT 59715

Please direct any questions to:
 (406)582-3030 or treasurer@gallatin.mt.gov





New Search

History

Payoff

Tax ID: RGF12008

Status: Current

Receipt: 12008

Owner(s):
UTILITY SOLUTIONS LLC

Mailing Address:

PO BOX 10098
BOZEMAN, MT 597190098

Levy District:

0363-13, 27 Monforton-GGF-GP

2007 Value:

Market: \$324,044.00
Taxable: \$9,947.00

2007 Taxes:

First Half: \$2,309.84
Second Half: \$2,309.83
Total: \$4,619.67
City Taxes: \$0.00

2007 Payments:

First Half: \$2,309.8
Second Half: \$0.0
Total: \$2,309.8

Legal Records:

Geo Code: 06-0797-14-1-09-06-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 190 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 190
SEC 14 2S 4E .970
RAINBOW SUB

Geo Code: 06-0797-14-1-09-07-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 191 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 191
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-09-08-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/15/2004
Subdivision: (RAS) Rainbow Subdivision **Lot:** 192 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 192
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-09-09-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 193 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 193

SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-09-10-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 194 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 194
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-09-11-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 195 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 195
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-09-12-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 196 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 196
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-04-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 201 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 201
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-05-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 202 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 202
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-06-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2006
Subdivision: (RAS) Rainbow Subdivision **Lot:** 203 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 203
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-11-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 208 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 208
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-12-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 209 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 209
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-13-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 210 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 210
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-14-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 211 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 211
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-15-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 212 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 212
SEC 14 2S 4E .928AC
RAINBOW SUB

Geo Code: 06-0797-14-1-07-02-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 214 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 214
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-07-03-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 215 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 215
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-02-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 199 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 199
SEC 14 2S 4E .970AC
RAINBOW SUB

Geo Code: 06-0797-14-1-08-03-0000 **Deed Book:** 2212 **Page:** 791D **Date:** 12/14/2005
Subdivision: (RAS) Rainbow Subdivision **Lot:** 200 **Block:** XXX
TRS: T020S, R040E, Sec. 14
Legal: PLAT D-42
LOT 200
SEC 14 2S 4E .970AC
RAINBOW SUB

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
Gallatin County Treasurer
311 West Main, Room 210
Bozeman, MT 59715

Please direct any questions to:
(406)582-3030 or treasurer@gallatin.mt.gov



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New Search Detail Payoff

Tax ID: RGF12008

Status: Current

Type: RE

Owner: UTILITY SOLUTIONS LLC

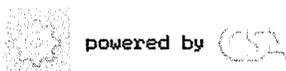
History:

Year	Statement #	Bill Date	Bill Amount	Date Paid	Paid Amount
2007	12008	10/18/2007	\$4,619.67	11/22/2007	\$2,309.84 \$0.00
2006	12008	10/18/2006	\$4,553.07	11/14/2006 05/29/2007	\$2,276.54 \$2,276.53
2002	12008	10/12/2002	\$796.10	11/25/2002 11/25/2002	\$401.06 \$395.04
2001	12008	10/13/2001	\$675.16	11/18/2001 03/21/2002	\$340.59 \$334.57

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
 Gallatin County Treasurer
 311 West Main, Room 210
 Bozeman, MT 59715

Please direct any questions to:
 (406)582-3030 or treasurer@gallatin.mt.gov



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New Search

History

Payoff

Tax ID: RGF45311

Status: Current

Receipt: 45311

Owner(s):
UTILITY SOLUTIONS LLC

Mailing Address:

PO BOX 10098
BOZEMAN, MT 597190098

Levy District:

2350-13, 7R Bozeman(R)GGF-GP

2007 Value:

Market: \$54,855.00
Taxable: \$1,684.00

2007 Taxes:

First Half: \$400.82
Second Half: \$400.81
Total: \$801.63
City Taxes: \$0.00

2007 Payments:

First Half: \$400.82
Second Half: \$0.00
Total: \$400.82

Legal Records:

Geo Code: 06-0797-25-2-07-01-0000 **Deed Book:** 2124 **Page:** 083D **Date:** 09/17/2003
Subdivision: (EG1) Elk Grove Subdivision Phase 1 **Lot:** 000 **Block:** 000
TRS: T020S, R040E, Sec. 25
Legal: PLAT J-316
UTILITY LOT 2
SEC 23, 24, 25 & 26 2S 4E 4.502AC
ELK GROVE SUB PH 1

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:

Gallatin County Treasurer
311 West Main, Room 210
Bozeman, MT 59715

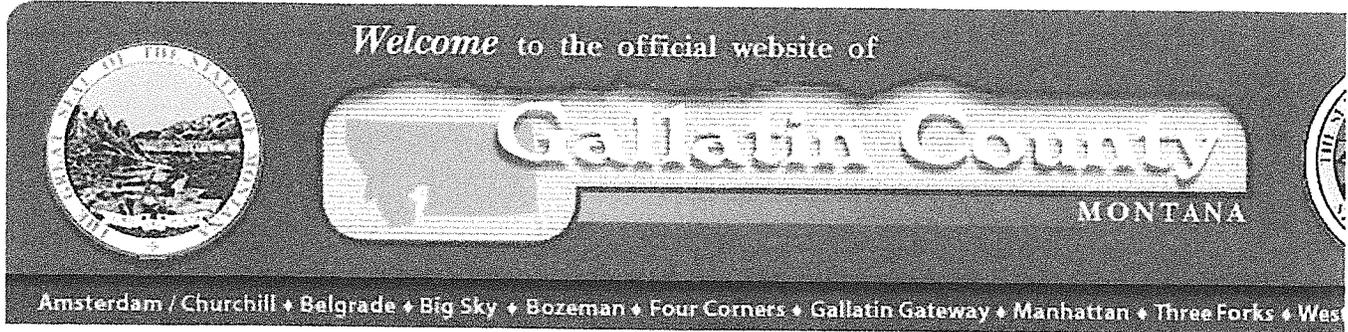
Please direct any questions to:

(406)582-3030 or treasurer@gallatin.mt.gov



powered by





New Search
 Detail
 Payoff

Tax ID: RGF45311
Status: Current
Type: RE
Owner: UTILITY SOLUTIONS LLC

History:

Year	Statement #	Bill Date	Bill Amount	Date Paid	Paid Amount
2007	45311	10/18/2007	\$801.63	11/15/2007	\$400.82 \$0.00
2006	45311	10/18/2006	\$762.72	11/14/2006 05/29/2007	\$381.37 \$381.35
2005	45311	10/24/2005	\$714.19	11/26/2005 05/22/2006	\$357.10 \$357.09
2004	45311	10/18/2004	\$679.63	11/08/2004 05/31/2005	\$339.82 \$339.81
2003	45311	10/20/2003	\$660.43	12/24/2003 08/23/2004	\$330.22 \$345.04
2002	45311	10/12/2002	\$613.95	11/29/2002 06/05/2003	\$306.98 \$306.97

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
 Gallatin County Treasurer
 311 West Main, Room 210
 Bozeman, MT 59715

Please direct any questions to:
 (406)582-3030 or treasurer@gallatin.mt.gov





New Search History Payoff

Tax ID: RGF45312

Status: Current

Receipt: 45312

Owner(s):
UTILITY SOLUTIONS LLC

Mailing Address:

PO BOX 10098
BOZEMAN, MT 597190098

Levy District:

2350-13, 7R Bozeman(R)GGF-GP

2007 Value:

Market: \$412,055.00
Taxable: \$12,650.00

2007 Taxes:

First Half: \$3,016.89
Second Half: \$3,010.88
Total: \$6,027.77
City Taxes: \$0.00

2007 Payments:

First Half: \$3,016.8
Second Half: \$0.0
Total: \$3,016.8

Legal Records:

Geo Code: 06-0797-23-4-25-10-0000 **Deed Book:** 2124 **Page:** 083D **Date:** 09/17/2003
Subdivision: (EG1) Elk Grove Subdivision Phase 1 **Lot:** 000 **Block:** 000
TRS: T020S, R040E, Sec. 23
Legal: PLAT J-316
UTILITY LOT 3
SEC 23, 24, 25 & 26 2S 4E 1.488AC
ELK GROVE SUB PH 1

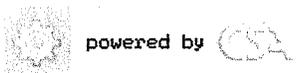
Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:

Gallatin County Treasurer
311 West Main, Room 210
Bozeman, MT 59715

Please direct any questions to:

(406)582-3030 or treasurer@gallatin.mt.gov





New Search Detail Payoff

Tax ID: RGF45312

Status: Current

Type: RE

Owner: UTILITY SOLUTIONS LLC

History:

Year	Statement #	Bill Date	Bill Amount	Date Paid	Paid Amount
2007	45312	10/18/2007	\$6,027.77	11/16/2007	\$3,016.89 \$0.00
2006	45312	10/18/2006	\$5,843.67	11/14/2006 05/29/2007	\$2,924.84 \$2,918.83
2005	45312	10/24/2005	\$5,582.96	11/23/2005 05/24/2006	\$2,794.49 \$2,788.47
2004	45312	10/18/2004	\$5,436.79	11/08/2004 05/31/2005	\$2,721.40 \$2,715.39
2003	45312	10/20/2003	\$371.77	12/24/2003 08/23/2004	\$185.89 \$194.24
2002	45312	10/12/2002	\$366.79	11/29/2002 06/05/2003	\$183.40 \$183.39

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
 Gallatin County Treasurer
 311 West Main, Room 210
 Bozeman, MT 59715

Please direct any questions to:
 (406)582-3030 or treasurer@gallatin.mt.gov





New Search

History

Payoff

Tax ID: RGF45310

Status: Current

Receipt: 45310

Owner(s):
UTILITY SOLUTIONS LLC

Mailing Address:

PO BOX 10098
BOZEMAN, MT 597190098

Levy District:

2350-13, 7R Bozeman(R)GGF-GP

2007 Value:

Market: \$163,271.00
Taxable: \$5,012.00

2007 Taxes:

First Half: \$1,198.94
Second Half: \$1,192.92
Total: \$2,391.86
City Taxes: \$0.00

2007 Payments:

First Half: \$1,198.9
Second Half: \$0.0
Total: \$1,198.9

Legal Records:

Geo Code: 06-0797-25-2-07-07-0000 **Deed Book:** 2124 **Page:** 083D **Date:** 09/17/2003
Subdivision: (EG1) Elk Grove Subdivision Phase 1 **Lot:** 000 **Block:** 000
TRS: T020S, R040E, Sec. 25
Legal: PLAT J-316
UTILITY LOT 1
SEC 23,24,25&26 2S 4E .936AC
ELK GROVE SUB PH 1

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:

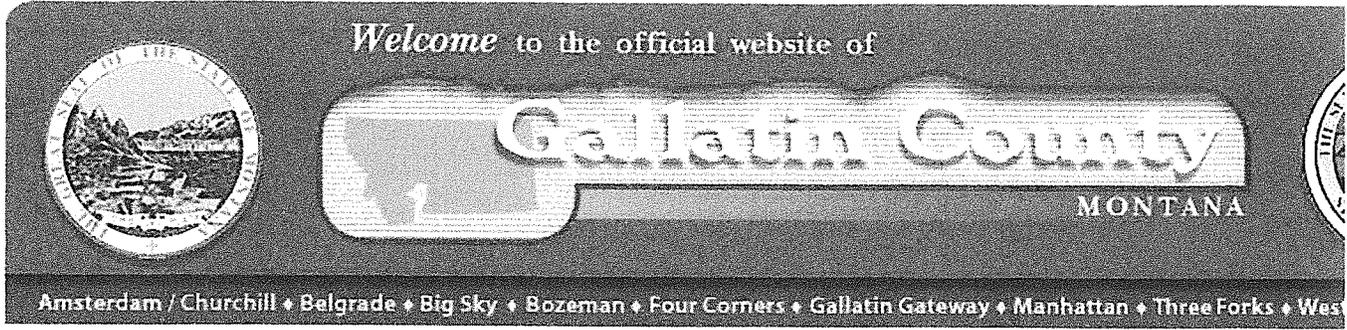
Gallatin County Treasurer
311 West Main, Room 210
Bozeman, MT 59715

Please direct any questions to:

(406)582-3030 or treasurer@gallatin.mt.gov



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New Search Detail Payoff

Tax ID: RGF45310
Status: Current
Type: RE
Owner: UTILITY SOLUTIONS LLC

History:

Year	Statement #	Bill Date	Bill Amount	Date Paid	Paid Amount
2007	45310	10/18/2007	\$2,391.86	11/15/2007	\$1,198.94 \$0.00
2006	45310	10/18/2006	\$2,299.80	11/14/2006 05/29/2007	\$1,152.90 \$1,146.90
2005	45310	10/24/2005	\$2,177.39	11/23/2005 05/24/2006	\$1,091.70 \$1,085.69
2004	45310	10/18/2004	\$2,099.05	11/08/2004 05/31/2005	\$1,052.53 \$1,046.52
2003	45310	10/20/2003	\$308.32	12/24/2003 08/23/2004	\$154.17 \$161.07
2002	45310	10/12/2002	\$321.49	11/29/2002 06/05/2003	\$160.76 \$160.73

Note: Property Tax data was last updated 01/17/2008

Payments can be sent to:
 Gallatin County Treasurer
 311 West Main, Room 210
 Bozeman, MT 59715

Please direct any questions to:
 (406)582-3030 or treasurer@gallatin.mt.gov

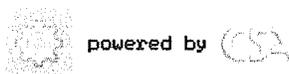


Exhibit PSC-016

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01/17/08
Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
January through December 2006

Line 67 - Chemicals

Type	Date	Numb	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Chemicals										
Check	6/16/2006	3462		Brenntag	BPI564036		Cash - Stock...	788.62		788.62
Check	7/13/2006	3484		Brenntag	BPI566865		Cash - Stock...	416.16		1,204.78
Check	8/9/2006	3519		Brenntag	BPI569722		Cash - Stock...	416.16		1,620.94
Check	10/11/2006	3604		Kenyon Noble	240400-00		Cash - Stock...	8.67		1,629.61
Check	10/11/2006	3621		Brenntag	BPI600247		Cash - Stock...	759.90		2,389.51
Check	10/11/2006	3626		Hach	4860928		Cash - Stock...	45.57		2,435.08
Total Chemicals								2,435.08	0.00	2,435.08
Total Sewer Service - Elk Grove								2,435.08	0.00	2,435.08
TOTAL								2,435.08	0.00	2,435.08

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01/17/08

Accrual Basis

Utility Solutions, LLC
 Transaction Detail By Account
 January through December 2006

line 68 - fuel

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Fuel										
Check	4/24/2006	3372		James Jones			Cash - Stock...	63.50		63.50
Check	5/22/2006	3417		James Jones	reimbursement		Cash - Stock...	30.00		93.50
General Journal	6/6/2006	aw	*				Cash - Petty C...	495.08		588.58
Check	6/26/2006	3473		James Jones	reimbursement		Cash - Stock...	55.50		644.08
General Journal	7/7/2006	aw	*				Cash - Petty C...	255.46		899.54
General Journal	8/4/2006	aw	*				Cash - Petty C...	302.25		1,201.79
Check	8/28/2006	3558		Tara Hastie	Tara mileage		Cash - Stock...	18.92		1,220.71
General Journal	8/31/2006	aw	*				Cash - Petty C...	286.14		1,506.85
General Journal	12/29/2006	aw	*				Cash - Petty C...	200.72		1,707.57
General Journal	12/31/2006	aw	*				Due from Walk...	1,970.24		3,677.81
Total Fuel								3,677.81	0.00	3,677.81
Total Sewer Service - Elk Grove										
								3,677.81	0.00	3,677.81
TOTAL								3,677.81	0.00	3,677.81

10:54 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
January through December 2006

line 29

license/permits

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove Licenses and Permits										
Check	5/22/2006	3417		James Jones	reimbursement			70.00		70.00
Check	11/16/2006	3693		DEQ	Disposal permit			1,200.00		1,270.00
Total Licenses and Permits								1,270.00	0.00	1,270.00
Total Sewer Service - Elk Grove								1,270.00	0.00	1,270.00
TOTAL								1,270.00	0.00	1,270.00

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01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

line 70
Maintenance

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Maintenance - E.G. Sewer										
Check	1/16/2006	3239		Kenyon Noble	240400-00		Cash - Stock...	360.14		360.14
Check	1/16/2006	3244		Scenic City	1394		Cash - Stock...	3,567.50		3,947.64
Check	1/16/2006	3246		Lakeside Equipment	05-1815		Cash - Stock...	98.00		4,045.64
Check	1/16/2006	3253		Lakeside Equipment	05-1843		Cash - Stock...	340.00		4,385.64
Check	2/10/2006	3264		Industrial Systems	33469		Cash - Stock...	52.72		4,438.36
Check	2/10/2006	3270		Kenyon Noble	240400-00		Cash - Stock...	33.51		4,471.87
Check	2/27/2006	3298		James Jones	reimbursement		Cash - Stock...	20.99		4,492.86
Check	3/8/2006	3306		Scenic City			Cash - Stock...	2,486.00		6,978.86
Check	3/8/2006	3307		Kenyon Noble			Cash - Stock...	138.55		7,117.41
Check	3/8/2006	3315		USA BlueBook			Cash - Stock...	167.16		7,284.57
Check	3/27/2006	3330		John Close	119370		Cash - Stock...	348.82		7,633.39
Check	3/27/2006	3331		James Jones	Pump reimbu...		Cash - Stock...	19.34		7,652.73
Check	4/4/2006	3337		Brenntag	Reimbursem...		Cash - Stock...	727.97		8,380.70
Check	4/4/2006	3362		Kenyon Noble	BPI548579		Cash - Stock...	105.30		8,486.00
Check	5/5/2006	3379		Scenic City	240400-00		Cash - Stock...	1,243.00		9,729.00
Check	5/5/2006	3382		USA BlueBook	1668		Cash - Stock...	52.18		9,781.18
Check	5/5/2006	3389		USA BlueBook	145644		Cash - Stock...	118.00		9,899.18
Check	5/5/2006	3393		USA BlueBook	141956		Cash - Stock...	77.97		9,977.15
Check	5/5/2006	3398		Kenyon Noble	154394		Cash - Stock...	51.47		10,028.62
Bill	6/1/2006			Kenyon Noble			Accounts pay...	111.39		10,140.01
General Journal	6/6/2006	aw	*				Cash - Petty C...	31.99		10,172.00
Check	6/16/2006	3444		Montana Kubota, Inc.			Cash - Stock...	31.93		10,203.93
Check	6/16/2006	3448		Mountain Locksmith...			Cash - Stock...	179.00		10,382.93
Check	6/16/2006	3461		USA BlueBook	176318		Cash - Stock...	348.99		10,731.92
Check	7/13/2006	3496		Scenic City	1920		Cash - Stock...	4,270.00		15,001.92
General Journal	8/10/2006	aw	*		refund		Cash - Stock...		200.00	14,801.92
Check	11/8/2006	3674		Scenic City	2272		Cash - Stock...	4,980.00		19,781.92
Deposit	11/28/2006			Customers	Deposit		Cash - Stock...		200.00	19,981.92
Check	12/8/2006	3713		Scenic City	2344,2345		Cash - Stock...	487.50		20,069.42
Total Maintenance - E.G. Sewer								20,469.42	400.00	20,069.42
Total Sewer Service - Elk Grove								20,469.42	400.00	20,069.42
TOTAL								20,469.42	400.00	20,069.42

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01/17/08

Accrual Basis

Utility Solutions, LLC
 Transaction Detail By Account
 January through December 2006

June 71
 Operators

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Operator										
Check	5/5/2006	3390		Ron Edwards			Cash - Stock...	1,020.96		1,020.96
Check	5/5/2006	570		Rocky Mountain E...			Cash - Stock...	304.00		1,324.96
Check	10/9/2006	3602		Eric Campbell			Cash - Stock...	135.00		1,459.96
Check	11/8/2006	3671		Eric Campbell			Cash - Stock...	810.00		2,269.96
Check	12/8/2006	3725		Eric Campbell			Cash - Stock...	720.00		2,989.96
Total Operator								2,989.96	0.00	2,989.96
Total Sewer Service - Elk Grove								2,989.96	0.00	2,989.96
TOTAL								2,989.96	0.00	2,989.96

10:55 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
 Transaction Detail By Account
 January through December 2006

line 72
permits

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Permits										
Check	3/22/2006	3322		MDEQ	MTX000110			563.00		563.00
Check	3/22/2006	3323		MDEQ	MTX000106			563.00		1,126.00
Total Permits								1,126.00	0.00	1,126.00
Total Sewer Service - Elk Grove										
								1,126.00	0.00	1,126.00
TOTAL								1,126.00	0.00	1,126.00

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01/17/08

Accrual Basis

Utility Solutions, LLC
 Transaction Detail By Account
 January through December 2006

line 73
 Property tax

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Property Tax										
Check	11/29/2006	3702		Gallatin County Treas	Utility Lot2		Cash - Stock...	381.37		381.37
Check	11/29/2006	3703		Gallatin County Treas	Utility Lot 3		Cash - Stock...	2,924.84		3,306.21
Total Property Tax								3,306.21	0.00	3,306.21
Total Sewer Service - Elk Grove								3,306.21	0.00	3,306.21
TOTAL								3,306.21	0.00	3,306.21

Copies of tax statements
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10:55 AM

01/17/08

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

Line 74
 Rate Consulting

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Rate Consulting	2/10/2006	3266		Ronald Woods	698		Cash - Stock...	1,250.00		1,250.00
Check								1,250.00	0.00	1,250.00
Total Rate Consulting								1,250.00	0.00	1,250.00
Total Sewer Service - Elk Grove								1,250.00	0.00	1,250.00
TOTAL								<u>1,250.00</u>	<u>0.00</u>	<u>1,250.00</u>

10:55 AM

01/17/08

Accrual Basis

Utility Sol...ns, LLC
Transaction Detail By Account
 January through December 2006

*June 15
 Supplies*

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Supplies										
Check	4/24/2006	3372		James Jones	-MULTIPLE-		Cash - Stock...	85.47		85.47
General Journal	6/6/2006	aw	*				Cash - Petty C...	234.50		319.97
Check	7/13/2006	3500		Kenyon Noble	240400-00		Cash - Stock...	76.34		396.31
General Journal	8/31/2006	aw	*				Cash - Petty C...	249.51		645.82
Check	9/8/2006	3572		Kenyon Noble	240400-00		Cash - Stock...	36.55		682.37
Check	11/8/2006	3668		Kenyon Noble	240400		Cash - Stock...	4.87		687.24
Check	12/8/2006	3716		Kenyon Noble	240400-00		Cash - Stock...	153.92		841.16
General Journal	12/29/2006	aw	*				Cash - Petty C...	138.06		979.22
Total Supplies								979.22	0.00	979.22
Total Sewer Service - Elk Grove										
								979.22	0.00	979.22
TOTAL								979.22	0.00	979.22

10:55 AM

01/17/08

Accrual Basis

Utility Sol. Sols, LLC
Transaction Detail By Account
 January through December 2006

*line 74.
 testing*

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Testing EG Sewer										
Check	3/8/2006	3312		Energy Labs	260250825		Cash - Stock...	124.40		124.40
Check	4/4/2006	3360		Energy Labs	260351125		Cash - Stock...	131.90		256.30
Check	5/5/2006	3381		Energy Labs	260450816		Cash - Stock...	131.90		388.20
Check	9/8/2006	3571		Energy Labs	260851480		Cash - Stock...	131.90		520.10
Check	9/14/2006	3586		Eric Campbell			Cash - Stock...	280.00		800.10
Check	11/8/2006	3671		Eric Campbell			Cash - Stock...	280.00		1,080.10
Check	11/8/2006	3675		Energy Labs	261051154		Cash - Stock...	131.90		1,212.00
Check	12/8/2006	3724		Energy Labs			Cash - Stock...	1,045.75		2,257.75
Total Testing EG Sewer								2,257.75	0.00	2,257.75
Total Sewer Service - Elk Grove								2,257.75	0.00	2,257.75
TOTAL								2,257.75	0.00	2,257.75

10:55 AM

01/17/06

Accrual Basis

Utility Solutions, LLC
Transaction Detail By Account
 January through December 2006

line 77
Utilities

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Sewer Service - Elk Grove										
Utilities - E.G. Sewer										
Check	1/16/2006	3238		Allied Waste Services	1-1766-0056...		Cash - Stock...	72.10		72.10
Check	2/10/2006	3272		NW Energy	1189705-5		Cash - Stock...	1,206.35		1,278.45
Check	2/10/2006	3284		Allied Waste Services	2-1766-0266...		Cash - Stock...	66.75		1,345.20
Check	3/8/2006	3310		F.I.T.	Radio		Cash - Stock...	220.00		1,565.20
Check	3/22/2006	3325		NW Energy	1189705-5		Cash - Stock...	912.62		2,477.82
Check	4/4/2006	3357		NW Energy	1189705-5		Cash - Stock...	616.10		3,093.92
Check	4/4/2006	3361		Allied Waste Services	2-1766-0197...		Cash - Stock...	66.75		3,160.67
Bill	5/17/2006			NW Energy			Accounts pay...	563.54		3,724.21
Check	6/16/2006	3451		NW Energy	1189705-5		Cash - Stock...	628.70		4,352.91
Check	7/13/2006	3504		NW Energy	1189705-5		Cash - Stock...	630.87		4,983.78
Check	8/9/2006	3531		Allied Waste Services	2-1766-0266...		Cash - Stock...	67.64		5,051.42
Check	8/11/2006	3551		NW Energy	1189705-5		Cash - Stock...	539.06		5,590.48
Check	9/26/2006	3597		NW Energy	1189705-5		Cash - Stock...	458.07		6,048.55
Check	10/11/2006	3628		NW Energy	1189705-5		Cash - Stock...	606.57		6,655.12
Check	11/8/2006	3655		NW Energy	1189705-5		Cash - Stock...	617.19		7,272.31
Check	11/8/2006	3657		NW Energy	1471071-9		Cash - Stock...	16.36		7,288.67
Check	12/8/2006	3707		NW Energy	1189705-5		Cash - Stock...	691.16		7,979.83
Total Utilities - E.G. Sewer								7,979.83	0.00	7,979.83
Total Sewer Service - Elk Grove								7,979.83	0.00	7,979.83
TOTAL								7,979.83	0.00	7,979.83

exhibit PSC-017a

Utility Solutions, LLC
Profit & Loss
January through December 2006

	<u>Jan 06</u>	<u>Feb 06</u>	<u>Mar 06</u>	<u>Apr 06</u>	<u>May 06</u>	<u>Jun 06</u>
Ordinary Income/Expense						
Income						
Elk Grove						
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Sewer	0.00	10,865.58	11,511.06	11,887.59	11,941.38	12,048.96
Water	0.00	4,430.15	4,634.32	5,199.04	6,428.67	10,344.32
Total Elk Grove	<u>0.00</u>	<u>15,295.73</u>	<u>16,145.38</u>	<u>17,086.63</u>	<u>18,370.05</u>	<u>22,393.28</u>
Total Income	0.00	15,295.73	16,145.38	17,086.63	18,370.05	22,393.28

Utility Solutions, LLC
Profit & Loss
January through December 2006

	<u>Jul 06</u>	<u>Aug 06</u>	<u>Sep 06</u>	<u>Oct 06</u>	<u>Nov 06</u>	<u>Dec 06</u>
Ordinary Income/Expense						
Income						
Elk Grove						
Late Fees	0.00	0.00	0.00	48.07	0.00	0.00
Sewer	12,156.54	12,317.89	12,425.49	12,586.86	12,568.94	12,680.56
Water	10,625.23	18,414.15	13,891.12	11,198.06	5,242.18	5,274.07
Total Elk Grove	<u>22,781.77</u>	<u>30,732.04</u>	<u>26,316.61</u>	<u>23,832.99</u>	<u>17,811.12</u>	<u>17,954.63</u>
Total Income	22,781.77	30,732.04	26,316.61	23,832.99	17,811.12	17,954.63

Utility Solutions, LLC
Profit & Loss
January through December 2006

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
Elk Grove	
Late Fees	48.07
Sewer	132,990.85
Water	95,681.31
Total Elk Grove	<u>228,720.23</u>
Total Income	228,720.23

Exhibit PSC-021a

Allocated purchase price and depreciable lives

		Reference	Asset Class	MACRS life
Wastewater Treatment Plant	1,189,590.45	A	50	15 years
Water Distribution Facility	307,107.88	A	49.3	25 years
Land	47,488.15	A		
Sewer System	437,409.17	a	51	25 years
Water System	582,351.36	b	49.3	25 years
Unallocated purchase price	<u>336,052.99</u>			
Utility Solutions purchase price	<u>2,900,000.00</u>			

Wastewater Treatment Plant (WwTP)

Total invoices allocated to WwTP	578,149.79	B1	578,149.79	
Less WwTP invoices not billed through Fluidyne			<u>(357,057.83)</u>	F1
WwTP invoices billed through Fluidyne			<u>221,091.96</u>	c
Total Fluidyne WwTP invoices			814,155.94	G1
Fluidyne labor allocated to WwTP	510,321.71	B1	(510,321.71)	G1
Markup allocated to WwTP	8,119.50	B1	(8,119.50)	
WwTP invoices billed through Fluidyne			<u>(221,091.96)</u>	c
Unallocated Fluidyne invoices			<u>74,622.77</u>	f
Dick Anderson Construction WwTP invoices	<u>92,999.45</u>	B1		
Total Wastewater Treatment Plant	<u>1,189,590.45</u>	A		

Water Distribution Facility (WDF)

Total invoices allocated to WDF	164,645.42	B2	164,645.42	
Less WDF invoices not billed through Fluidyne			<u>(162,552.07)</u>	F2
WDF invoices billed through Fluidyne			<u>2,093.35</u>	d
Total Fluidyne WDF invoices			78,054.59	G2
Fluidyne labor allocated to WDF	36,190.70	B2	(36,190.70)	G2
Markup allocated to WDF	395.59	B2	(395.59)	
WDF invoices billed through Fluidyne			<u>(2,093.35)</u>	d
Unallocated Fluidyne invoices			<u>39,374.95</u>	g
Dick Anderson Construction WDF invoices	<u>105,876.17</u>	B2		
Total Water Distribution Facility	<u>307,107.88</u>	A		

Sewer System (SS)

Unallocated Fluidyne invoices	74,622.77	f		
Dick Anderson Construction sewer line invoices	<u>362,786.40</u>	C1		
Total Sewer System	<u>437,409.17</u>	a		

Water System (WS)

Unallocated Fluidyne invoices	39,374.95	g		
Dick Anderson Construction water line invoices	<u>542,976.41</u>	C1		
Total Water System	<u>582,351.36</u>	b		

Fluidyne Engineering, Inc

WwTP

Date	Invoice #	Project	Amount	Labor	Balance
05/31/00	2271	Sewer System	143,512.35	91,260.00	52,252.35
02/28/01	2550	Sewer System	15,504.51	7,433.50	8,071.01
03/31/01	2574	Sewer System	5,784.75	4,146.00	1,638.75
12/20/01	3072	Sewer System	7,364.66	4,662.00	2,702.66
12/31/01	3097	Sewer System	22,304.80	2,580.00	19,724.80
12/31/01	3106	Sewer System	2,860.80	1,200.00	1,660.80
12/31/01	3124	Sewer System	14,218.75	14,218.75	0.00
12/31/01	3126	Sewer System	1,807.50	1,307.00	500.50
12/31/01	3134	Sewer System	167,887.50	167,887.50	0.00
03/31/02	3198	Sewer System	2,189.98		2,189.98
03/31/02	3199	Sewer System	2,915.00	1,617.50	1,297.50
03/31/02	3206	Sewer System	32,382.70	21,401.25	10,981.45
03/31/02	3209	Sewer System	400.00	400.00	0.00
06/20/02	3340	Sewer System	850.50	832.50	18.00
07/31/02	3405	Sewer System	300.00	300.00	0.00
07/31/02	3409	Sewer System	781.05	400.00	381.05
12/31/02	4138	Sewer System	4,235.51	4,235.51	0.00
12/31/02	4141	Sewer System	93.08	84.00	9.08
01/31/01	2530	Dose Tank/Digester	1,542.03	550.00	992.03
02/28/01	2567	Dose Tank/Digester	21,343.82	2,888.50	18,455.32
03/31/01	2576	Dose Tank/Digester	4,916.24	2,353.00	2,563.24
04/30/01	2643	Dose Tank/Digester	665.19		665.19
12/31/01	3105	Dose Tank/Digester	194.34	130.00	64.34
12/31/01	3128	Dose Tank/Digester	3,591.25	3,591.25	0.00
03/31/02	3205	Dose Tank/Digester	448.90	432.00	16.90
07/31/02	3408	Dose Tank/Digester	311.36	277.50	33.86
12/31/02	4137	Dose Tank/Digester	1,896.00	1,896.00	0.00
03/31/01	2573	Excavation	1,975.00	1,975.00	0.00
04/30/01	2641	Excavation	10,792.65	1,300.00	9,492.65
04/30/01	2646	Excavation	17,333.22	2,800.00	14,533.22
12/31/01	3109	Excavation	5,112.00		5,112.00
06/20/02	3350	Excavation	4,162.90		4,162.90
12/31/02	4140	Excavation	148.35	133.40	14.95
04/30/01	2645	Clarifier	18,982.97	4,264.00	14,718.97
10/09/01	2949	Clarifier	10,022.57		10,022.57
12/31/01	3108	Clarifier	283.81		283.81
12/31/01	3129	Clarifier	2,406.25	2,406.25	0.00
12/31/02	4139	Clarifier	682.50	682.50	0.00
04/30/01	2644	Oxidation Ditch	1,200.16	378.00	822.16
04/30/01	2647	Oxidation Ditch	13,530.76	6,452.25	7,078.51
05/31/01	2692	Oxidation Ditch	54,598.02	11,536.00	43,062.02
12/31/01	3110	Oxidation Ditch	59,680.31	43,535.00	16,145.31
12/31/01	3130	Oxidation Ditch	1,635.00	1,635.00	0.00
03/31/02	3215	Oxidation Ditch	3,187.50	3,187.50	0.00
06/20/02	3349	Oxidation Ditch	18,617.92	16,107.10	2,510.82
06/20/02	3351	Oxidation Ditch	2,706.72	2,662.50	44.22
07/31/02	3410	Oxidation Ditch	14,430.23	10,530.00	3,900.23
08/31/02	3528	Oxidation Ditch	10,356.00	10,338.00	18.00
12/31/02	4133	Oxidation Ditch	25,018.83	25,006.83	12.00
10/09/01	2948	Oxidation Tanks	10,187.80	552.00	9,635.80
12/31/01	3107	Oxidation Tanks	2,938.54		2,938.54
12/31/01	3135	Oxidation Tanks	150.00	150.00	0.00
03/31/02	3207	Oxidation Tanks	396.00		396.00
12/31/01	3100	Disp. Sludge/Digest Beds	1,832.08	1,760.00	72.08
03/31/02	3200	Disp. Sludge/Digest Beds	145.20	96.00	49.20
12/31/01	3103	IP (Infiltration & Percolation) Cells	985.12		985.12
03/31/02	3203	IP Cells	3,029.43	716.25	2,313.18
06/20/02	3347	IP Cells	450.84		450.84

12/31/02	4135	IP Cells	3,258.60	3,250.15	8.45
12/31/01	3104	Lift Station	22,016.28	11,200.00	10,816.28
03/31/02	3204	Lift Station	519.00	519.00	0.00
06/20/02	3348	Lift Station	750.00	750.00	0.00
07/31/02	3407	Lift Station	5,103.45	4,218.75	884.70
12/31/02	4136	Lift Station	30.00	30.00	0.00
12/31/01	3101	Sewer Treatment - Electrical	300.00	300.00	0.00
12/31/01	3127	Sewer Treatment - Electrical	437.50	437.50	0.00
03/31/02	3201	Sewer Treatment - Electrical	252.00	252.00	0.00
06/20/02	3345	Sewer Treatment - Electrical	1,341.90		1,341.90
03/31/02	3202	Fence	382.50	382.50	0.00
06/20/02	3346	Fence	3,328.75	1,503.75	1,825.00
07/31/02	3406	Fence	78.00		78.00
08/31/02	3530	Fence	600.00	600.00	0.00
12/31/02	4134	Fence	2,599.17	2,590.72	8.45
06/20/02	3343	Cost Allocation	11,902.33		11,902.33
07/31/02	3404	Reimbursables	1,683.06		1,683.06
08/31/02	3527	Reimbursables	108.35		108.35
12/31/02	3642	Reimbursables	1,572.61		1,572.61
12/31/02	4132	Reimbursables	611.19		611.19
		Total Fluidyne WwTP Invoices	<u>814,155.94</u>	<u>510,321.71</u>	<u>303,834.23</u>

WDF

06/20/02	3341	Fire Hydrants	352.50	255.00	97.50
07/31/02	3402	Fire Hydrants	70.38		70.38
01/31/01	2528	Treatment House	22,397.00	11,287.50	11,109.50
04/30/01	2648	Treatment House	3,808.40		3,808.40
12/31/01	3111	Treatment House	16,132.22	11,100.00	5,032.22
03/31/02	3208	Treatment House	1,110.37	867.00	243.37
06/20/02	3352	Treatment House	345.00	345.00	0.00
07/31/02	3411	Treatment House	291.25		291.25
02/28/01	2549	Water System	7,358.17	6,115.00	1,243.17
02/28/01	2568	Water System	2,782.18		2,782.18
03/31/01	2572	Water System	2,836.41	2,185.00	651.41
04/30/01	2639	Water System	3,561.80	208.00	3,353.80
12/31/01	3113	Water System	14,211.43	1,360.00	12,851.43
12/31/01	3114	Water System	130.26	112.50	17.76
12/31/01	3125	Water System	1,750.00	1,750.00	0.00
03/31/02	3210	Water System	105.00	105.00	0.00
03/31/02	3211	Water System	532.02	220.50	311.52
06/20/02	3344	Water System	15.00	15.00	0.00
06/20/02	3353	Water System	22.50	22.50	0.00
08/31/02	3529	Water System	22.50	22.50	0.00
12/31/02	4143	Water System	22.50	22.50	0.00
12/31/02	4144	Water System	197.70	197.70	0.00
Total Fluidyne WDF Invoices			<u>78,054.59</u>	<u>36,190.70</u>	<u>41,863.89</u>

Allocated invoices not billed through Fluidyne

WwTP

ABC Rental	1,144.68
A-Core of MT	2,425.00
Anderson Precast & Supply	29,750.94
Armitage Electric, Inc	8,420.35
Belgrade Sales & Service	1,544.00
Big X, Inc	12,000.00
Bill Martel	1,116.00
Cal Builders	2,790.00
CK May Excavating, Inc	2,990.00
Concrete Accessories & Equipment	552.40
Concrete Materials	1,006.50
Fastenal	202.93
Figgins Sand and Gravel	3,201.32
Four Corners Hardware	806.26
Grainger, WW, Inc	224.34
Hughes Supply, Inc	5,651.12
JMI Inc	4,430.00
Kenyon Noble	8,144.70
Kenyon Noble Ready Mix	1,177.26
Kredit Electric	1,268.29
Lakeside	215,850.00
LLG Construction	10,101.30
Machinery Power & Equipment	18,101.57
Matt Hoskins	30.24
Midwest Industries	1,302.76
Montana Crane Service	1,251.60
Montana Power Company	11,774.00
Northwest Pipe	1,736.64
Owenhouse	72.02
Performance Machinery Co	1,036.50
Townsend Backhoe Service	488.75
Uhaul	75.52
USPS	18.90
UI Analytical Service	106.00
Waterworks Industries	42.12
Welding & Machine	427.50
West Tech	99.05
Western Utilities Supply Co	3,937.11
World Project Services, Int'l	679.16
WP Rentals	1,081.00
	<u>357,057.83</u>

WDF

Bridger Drilling	26,774.00
Cal Builders	1,220.00
Dana Kepner	13,194.17
Dumar Construction	43,112.50
Eric Campbell	145.00
Inter-Mountain Laboratories, Inc	136.00
Mountain Locksmith	124.80
Northwest Pipe	60,774.00
USA Bluebook	38.47
Western Utilities Supply Co	17,033.13
	<u>162,552.07</u>

WASTE WATER TREATMENT PLANT - Labor from Fluidyne Bills

Invoice	Principal P	Engineer E	Technician T	CADD C	Surveyor SC	3.Waste W	Labor 1 L1	Labor 12 L12	Labor 15 L15	Labor 25 L25	TOTAL
2271	34,150.00	30,442.50	1,740.00	24,277.50	650.00		550.00				91,260.00
2530											550.00
2550								276.00	1,620.00	5,537.50	7,433.50
2567								1,026.00		1,862.50	2,888.50
2573										1,975.00	1,975.00
2574								2,136.00	210.00	1,800.00	4,146.00
2576								768.00	735.00	850.00	2,353.00
2641										1,300.00	1,300.00
2644								378.00			378.00
2645								12.00	3,252.00	1,000.00	4,264.00
2646										2,800.00	2,800.00
2647								2,208.00	247.50	3,996.75	6,452.25
2692								7,236.00		4,300.00	11,536.00
2948								552.00			552.00
3072								4,662.00			4,662.00
3097								2,580.00			2,580.00
3100								1,280.00		480.00	1,760.00
3101										300.00	300.00
3104								9,520.00	1,680.00		11,200.00
3105					130.00						130.00
3106		1,200.00									1,200.00
3110				325.00						4,650.00	4,975.00
3124	14,218.75							38,560.00			52,778.75
3126	593.75		131.25					582.00			1,307.00
3127	437.50										437.50
3128	3,591.25										3,591.25
3129	2,406.25										2,406.25
3130	1,635.00										1,635.00
3134	132,850.00	7,425.00	4,171.25	13,991.25	9,450.00						167,887.50
3135								150.00			150.00
3199		1,000.00		617.50							1,617.50
3200								96.00			96.00
3201										252.00	252.00
3202									382.50		382.50
3203									716.25		716.25

SEWER SYSTEM
 SEWER SYSTEM
 BASIC LABOR/DISSA
 EQUIPMENT

5/3/03
 1/2/03
 1/2/03
 1/2/03
 1/2/03

WASTE WATER TREATMENT PLANT - Labor from Fluidyne Bills

Invoice	Principal P	Engineer E	Technician T	CADD C	Surveyor SC	3.Waste W	Labor 1 L1	Labor 12 L12	Labor 15 L15	Labor 25 L25	TOTAL
3204								192.00	75.00	252.00	519.00
3205									90.00	342.00	432.00
3206	11,625.00	2,250.00	161.25		420.00			36.00	2,760.00	4,149.00	21,401.25
3209			400.00								400.00
3215	3,187.50										3,187.50
3340			832.50								832.50
3346											
3348									1,503.75		1,503.75
3349	11,000.00	1,600.00				70.00			390.00	360.00	750.00
3351									1,777.50	1,659.60	16,107.10
3405		300.00							2,662.50		2,662.50
3407											300.00
3408									4,218.75		4,218.75
3409		400.00							277.50		277.50
3410		600.00							9,930.00		400.00
3528		2,100.00						768.00	7,470.00		10,530.00
3530									600.00		10,338.00
4133		2,767.83							16,935.00		600.00
4134				75.40				5,304.00			25,006.83
4135				75.40	318.75			2,515.32			2,590.72
4136								2,856.00			3,250.15
4137									30.00		30.00
4138		1,318.01			2,857.50			1,896.00			1,896.00
4139								60.00			4,235.51
4140				133.40					682.50		682.50
4141								84.00			133.40
	215,695.00	51,403.34	7,436.25	39,495.45	13,826.25	70.00	550.00	85,733.32	58,245.75	37,866.35	510,321.71

B1

Water Plant - Labor from Fluidyne Bills

Invoice	Principal P	Engineer E	Technician T	CADD CADD	Surveyor SC	3.Waste W	Labor 1 L1	Labor 12 L12	Labor 15 L15	Labor 25 L25	TOTAL
2528							11,287.50				11,287.50
2549								390.00	150.00	5,575.00	6,115.00
2568											0.00
2572								960.00		1,225.00	2,185.00
2639								108.00		100.00	208.00
3111								11,100.00			11,100.00
3113								1,360.00			1,360.00
3114			112.50								112.50
3125	1,750.00										1,750.00
3208								132.00	105.00	630.00	867.00
3210									15.00	90.00	105.00
3211			112.50							108.00	220.50
3341									255.00		255.00
3344									15.00		15.00
3352									345.00		345.00
3353									22.50		22.50
3529									22.50		22.50
4143									22.50		22.50
4144		197.70									197.70
	1,750.00	197.70	225.00	0.00	0.00	0.00	11,287.50	14,050.00	952.50	7,728.00	36,190.70

36,190.70
B2

1/31/01
2/28/01
3/31/01

WATER PLANT
WASTE
W.S.

Allocated invoices not billed through Fluidyne

WwTP

ABC Rental	1,144.68
A-Core of MT	2,425.00
Anderson Precast & Supply	29,750.94
Armitage Electric, Inc	8,420.35
Belgrade Sales & Service	1,544.00
Big X, Inc	12,000.00
Bill Martel	1,116.00
Cal Builders	2,790.00
CK May Excavating, Inc	2,990.00
Concrete Accessories & Equipment	552.40
Concrete Materials	1,006.50
Fastenal	202.93
Figgins Sand and Gravel	3,201.32
Four Corners Hardware	806.26
Grainger, WW, Inc	224.34
Hughes Supply, Inc	5,651.12
JMI Inc	4,430.00
Kenyon Noble	8,144.70
Kenyon Noble Ready Mix	1,177.26
Kredit Electric	1,268.29
Lakeside	215,850.00
LLG Construction	10,101.30
Machinery Power & Equipment	18,101.57
Matt Hoskins	30.24
Midwest Industries	1,302.76
Montana Crane Service	1,251.60
Montana Power Company	11,774.00
Northwest Pipe	1,736.64
Owenhouse	72.02
Performance Machinery Co	1,036.50
Townsend Backhoe Service	488.75
Uhaul	75.52
USPS	18.90
UI Analytical Service	106.00
Waterworks Industries	42.12
Welding & Machine	427.50
West Tech	99.05
Western Utilities Supply Co	3,937.11
World Project Services, Int'l	679.16
WP Rentals	1,081.00
	<u>357,057.83</u>

WDF

Bridger Drilling	26,774.00
Cal Builders	1,220.00
Dana Kepner	13,194.17
Dumar Construction	43,112.50
Eric Campbell	145.00
Inter-Mountain Laboratories, Inc	136.00
Mountain Locksmith	124.80
Northwest Pipe	60,774.00
USA Bluebook	38.47
Western Utilities Supply Co	17,033.13
	<u>162,552.07</u>

Fluidyne Engineering, Inc

WwTP

Date	Invoice #	Project	Amount	Labor	Balance
05/31/00	2271	Sewer System	143,512.35	91,260.00	52,252.35
02/28/01	2550	Sewer System	15,504.51	7,433.50	8,071.01
03/31/01	2574	Sewer System	5,784.75	4,146.00	1,638.75
12/20/01	3072	Sewer System	7,364.66	4,662.00	2,702.66
12/31/01	3097	Sewer System	22,304.80	2,580.00	19,724.80
12/31/01	3106	Sewer System	2,860.80	1,200.00	1,660.80
12/31/01	3124	Sewer System	14,218.75	14,218.75	0.00
12/31/01	3126	Sewer System	1,807.50	1,307.00	500.50
12/31/01	3134	Sewer System	167,887.50	167,887.50	0.00
03/31/02	3198	Sewer System	2,189.98		2,189.98
03/31/02	3199	Sewer System	2,915.00	1,617.50	1,297.50
03/31/02	3206	Sewer System	32,382.70	21,401.25	10,981.45
03/31/02	3209	Sewer System	400.00	400.00	0.00
06/20/02	3340	Sewer System	850.50	832.50	18.00
07/31/02	3405	Sewer System	300.00	300.00	0.00
07/31/02	3409	Sewer System	781.05	400.00	381.05
12/31/02	4138	Sewer System	4,235.51	4,235.51	0.00
12/31/02	4141	Sewer System	93.08	84.00	9.08
01/31/01	2530	Dose Tank/Digester	1,542.03	550.00	992.03
02/28/01	2567	Dose Tank/Digester	21,343.82	2,888.50	18,455.32
03/31/01	2576	Dose Tank/Digester	4,916.24	2,353.00	2,563.24
04/30/01	2643	Dose Tank/Digester	665.19		665.19
12/31/01	3105	Dose Tank/Digester	194.34	130.00	64.34
12/31/01	3128	Dose Tank/Digester	3,591.25	3,591.25	0.00
03/31/02	3205	Dose Tank/Digester	448.90	432.00	16.90
07/31/02	3408	Dose Tank/Digester	311.36	277.50	33.86
12/31/02	4137	Dose Tank/Digester	1,896.00	1,896.00	0.00
03/31/01	2573	Excavation	1,975.00	1,975.00	0.00
04/30/01	2641	Excavation	10,792.65	1,300.00	9,492.65
04/30/01	2646	Excavation	17,333.22	2,800.00	14,533.22
12/31/01	3109	Excavation	5,112.00		5,112.00
06/20/02	3350	Excavation	4,162.90		4,162.90
12/31/02	4140	Excavation	148.35	133.40	14.95
04/30/01	2645	Clarifier	18,982.97	4,264.00	14,718.97
10/09/01	2949	Clarifier	10,022.57		10,022.57
12/31/01	3108	Clarifier	283.81		283.81
12/31/01	3129	Clarifier	2,406.25	2,406.25	0.00
12/31/02	4139	Clarifier	682.50	682.50	0.00
04/30/01	2644	Oxidation Ditch	1,200.16	378.00	822.16
04/30/01	2647	Oxidation Ditch	13,530.76	6,452.25	7,078.51
05/31/01	2692	Oxidation Ditch	54,598.02	11,536.00	43,062.02
12/31/01	3110	Oxidation Ditch	59,680.31	43,535.00	16,145.31
12/31/01	3130	Oxidation Ditch	1,635.00	1,635.00	0.00
03/31/02	3215	Oxidation Ditch	3,187.50	3,187.50	0.00
06/20/02	3349	Oxidation Ditch	18,617.92	16,107.10	2,510.82
06/20/02	3351	Oxidation Ditch	2,706.72	2,662.50	44.22
07/31/02	3410	Oxidation Ditch	14,430.23	10,530.00	3,900.23
08/31/02	3528	Oxidation Ditch	10,356.00	10,338.00	18.00
12/31/02	4133	Oxidation Ditch	25,018.83	25,006.83	12.00
10/09/01	2948	Oxidation Tanks	10,187.80	552.00	9,635.80
12/31/01	3107	Oxidation Tanks	2,938.54		2,938.54
12/31/01	3135	Oxidation Tanks	150.00	150.00	0.00
03/31/02	3207	Oxidation Tanks	396.00		396.00
12/31/01	3100	Disp. Sludge/Digest Beds	1,832.08	1,760.00	72.08
03/31/02	3200	Disp. Sludge/Digest Beds	145.20	96.00	49.20
12/31/01	3103	IP (Infiltration & Percolation) Cells	985.12		985.12
03/31/02	3203	IP Cells	3,029.43	716.25	2,313.18
06/20/02	3347	IP Cells	450.84		450.84

WDF

06/20/02	3341	Fire Hydrants	352.50	255.00	97.50
07/31/02	3402	Fire Hydrants	70.38		70.38
01/31/01	2528	Treatment House	22,397.00	11,287.50	11,109.50
04/30/01	2648	Treatment House	3,808.40		3,808.40
12/31/01	3111	Treatment House	16,132.22	11,100.00	5,032.22
03/31/02	3208	Treatment House	1,110.37	867.00	243.37
06/20/02	3352	Treatment House	345.00	345.00	0.00
07/31/02	3411	Treatment House	291.25		291.25
02/28/01	2549	Water System	7,358.17	6,115.00	1,243.17
02/28/01	2568	Water System	2,782.18		2,782.18
03/31/01	2572	Water System	2,836.41	2,185.00	651.41
04/30/01	2639	Water System	3,561.80	208.00	3,353.80
12/31/01	3113	Water System	14,211.43	1,360.00	12,851.43
12/31/01	3114	Water System	130.26	112.50	17.76
12/31/01	3125	Water System	1,750.00	1,750.00	0.00
03/31/02	3210	Water System	105.00	105.00	0.00
03/31/02	3211	Water System	532.02	220.50	311.52
06/20/02	3344	Water System	15.00	15.00	0.00
06/20/02	3353	Water System	22.50	22.50	0.00
08/31/02	3529	Water System	22.50	22.50	0.00
12/31/02	4143	Water System	22.50	22.50	0.00
12/31/02	4144	Water System	197.70	197.70	0.00
Total Fluidyne WDF Invoices			<u>78,054.59</u>	<u>36,190.70</u>	<u>41,863.89</u>

12/31/02	4135	IP Cells	3,258.60	3,250.15	8.45
12/31/01	3104	Lift Station	22,016.28	11,200.00	10,816.28
03/31/02	3204	Lift Station	519.00	519.00	0.00
06/20/02	3348	Lift Station	750.00	750.00	0.00
07/31/02	3407	Lift Station	5,103.45	4,218.75	884.70
12/31/02	4136	Lift Station	30.00	30.00	0.00
12/31/01	3101	Sewer Treatment - Electrical	300.00	300.00	0.00
12/31/01	3127	Sewer Treatment - Electrical	437.50	437.50	0.00
03/31/02	3201	Sewer Treatment - Electrical	252.00	252.00	0.00
06/20/02	3345	Sewer Treatment - Electrical	1,341.90		1,341.90
03/31/02	3202	Fence	382.50	382.50	0.00
06/20/02	3346	Fence	3,328.75	1,503.75	1,825.00
07/31/02	3406	Fence	78.00		78.00
08/31/02	3530	Fence	600.00	600.00	0.00
12/31/02	4134	Fence	2,599.17	2,590.72	8.45
06/20/02	3343	Cost Allocation	11,902.33		11,902.33
07/31/02	3404	Reimbursables	1,683.06		1,683.06
08/31/02	3527	Reimbursables	108.35		108.35
12/31/02	3642	Reimbursables	1,572.61		-1,572.61
12/31/02	4132	Reimbursables	611.19		611.19
		Total Fluidyne WwTP Invoices	<u>814,155.94</u>	<u>510,321.71</u>	<u>303,834.23</u>

B

1 of 2

SET DEPRECIATION SHORT REPORT
UTILITY SOLUTIONS, LLC Dec. 31, 2006

Sorted: ASSET A/C#
Method: 3-BOOK-Std Conv Applied

Range: 100 - 950
Include: All assets

ASSET A/C#	Description	Meth/Life	Cost	Salvage Value	Depr Basis	Includes Section 179		
						Beg A/Depr	Curr Depr	End A/Depr
ASSET A/C#: 100 - WASTEWATER TREATMENT								
08/08/03	WASTEWATER TREATMENT PLANT	SLP/15.00	1,189,590.45	0.00	1,189,590.45	191,656.00	79,306.00	270,962.00
Grand totals: 100 - WASTEWATER TREATMENT (1 assets)			1,189,590.45	0.00	1,189,590.45	191,656.00	79,306.00	270,962.00
ASSET A/C#: 200 - WATER DISTRIBUTION								
08/08/03	WATER DISTRIBUTION FACILITY	SLP/25.00	307,107.88	0.00	307,107.88	29,686.00	12,284.00	41,970.00
Grand totals: 200 - WATER DISTRIBUTION (1 assets)			307,107.88	0.00	307,107.88	29,686.00	12,284.00	41,970.00
SET A/C#: 300 - SEWER SYSTEM								
08/08/03	SEWER SYSTEM	SLP/25.00	437,409.17	0.00	437,409.17	42,282.00	17,496.00	59,778.00
06/01/05	EXPANSION	SLP/25.00	4,000,000.00	0.00	4,000,000.00	93,333.00	160,000.00	253,333.00
01/06 A	SEWER SYSTEM EXPANSION	SLP/25.00	548,132.60	0.00	548,132.60	0.00	21,925.00	21,925.00
Grand totals: 300 - SEWER SYSTEM (3 assets)			4,985,541.77	0.00	4,985,541.77	135,615.00	199,421.00	335,036.00
ASSET A/C#: 400 - WATER SYSTEM								
08/03	WATER SYSTEM	SLP/25.00	582,351.36	0.00	582,351.36	56,294.00	23,294.00	79,588.00
01/06 A	WATER SYSTEM EXPANSION	SLP/25.00	913,585.87	0.00	913,585.87	0.00	36,543.00	36,543.00
11/09/06 A	WATER SYSTEM EXPANSION	SLP/25.00	1,827,199.15	0.00	1,827,199.15	0.00	12,181.00	12,181.00
Grand totals: 400 - WATER SYSTEM (3 assets)			3,323,136.38	0.00	3,323,136.38	56,294.00	72,018.00	128,312.00
SET A/C#: 500 - LAND								
08/03	LAND	LAND/25.00	47,488.15	0.00	47,488.15	0.00	0.00	0.00
08/08/03	LOT C-1	LAND/25.00	200,000.00	0.00	200,000.00	0.00	0.00	0.00
08/03	EASEMENTS	LAND/25.00	300,000.00	0.00	300,000.00	0.00	0.00	0.00
08/03	LOT	LAND/25.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00
01/04	EASEMENT	LAND/25.00	40,000.00	0.00	40,000.00	0.00	0.00	0.00
Grand totals: 500 - LAND (5 assets)			597,488.15	0.00	597,488.15	0.00	0.00	0.00
SET A/C#: 505 - FURNITURE AND FIXTURES								
15/04	OFFICE EQUIPMENT	SLP/ 7.00	2,138.96	0.00	2,138.96	357.00	306.00	663.00
Grand totals: 505 - FURNITURE AND FIXTURES (1 assets)			2,138.96	0.00	2,138.96	357.00	306.00	663.00
ASSET A/C#: 520 - LEASEHOLD IMPROVEMENTS								
08/03	LEASEHOLD IMPROVEMENTS	SLP/10.00	11,794.03	0.00	11,794.03	1,572.00	1,179.00	2,751.00
Grand totals: 520 - LEASEHOLD IMPROVEMENTS (1 assets)			11,794.03	0.00	11,794.03	1,572.00	1,179.00	2,751.00
ASSET A/C#: 600 - LICENSES AND PERMITS								
08/03	LICENSES AND PERMITS	AMORT/15.00	336,052.99	0.00	336,052.99	54,143.00	22,404.00	76,547.00
Grand totals: 600 - LICENSES AND PERMITS (1 assets)			336,052.99	0.00	336,052.99	54,143.00	22,404.00	76,547.00
ASSET A/C#: 700 - ORG COSTS								
08/03	ORGANIZATIONAL COSTS	NONE/ 5.00	5,000.00	0.00	0.00	0.00	0.00	0.00
Grand totals: 700 - ORG COSTS (1 assets)			5,000.00	0.00	0.00	0.00	0.00	0.00
ASSET A/C#: 800 - START UP								
08/08/03	START UP COSTS	NONE/ 5.00	5,007.00	0.00	0.00	0.00	0.00	0.00
Grand totals: 800 - START UP (1 assets)			5,007.00	0.00	0.00	0.00	0.00	0.00
SET A/C#: 850 - VEHICLES								
08/01/05	2005 CHEVY TRUCK	SLP/ 5.00	20,337.46	0.00	20,337.46	1,695.00	4,067.00	5,762.00
11/27/06 A	2006 CHEVY TRUCK - FULL SIZE	SLP/ 5.00	25,589.00	0.00	25,589.00	0.00	5,118.00	5,118.00
Grand totals: 850 - VEHICLES (2 assets)			45,926.46	0.00	45,926.46	1,695.00	9,185.00	10,880.00
ASSET A/C#: 900 - EQUIPMENT								
05/06/05	KUBOTA TRACTOR	SLP/ 7.00	44,062.00	0.00	44,062.00	4,196.00	6,295.00	10,491.00
10/06 A	CHLORINE PROCESS ANALYZER	SLP/ 7.00	2,750.00	0.00	2,750.00	0.00	360.00	360.00
18/06 A	TRACTOR ATTACHMENT	SLP/ 7.00	2,100.00	0.00	2,100.00	0.00	225.00	225.00
06/07/06 A	TRACTOR SWEEPER	SLP/ 7.00	5,600.00	0.00	5,600.00	0.00	467.00	467.00
11/09/06 A	PRESSURE WASHER	SLP/ 7.00	6,950.00	0.00	6,950.00	0.00	165.00	165.00
Grand totals: 900 - EQUIPMENT (5 assets)			61,462.00	0.00	61,462.00	4,196.00	7,512.00	11,708.00
ASSET A/C#: 950 - OFFICE FURN & FIXTURES								

SET DEPRECIATION SHORT REPORT
 UTILITY SOLUTIONS, LLC Dec. 31, 2006

Sorted: ASSET A/C#
 Method: 3-BOOK-Std Conv Applied

Range: 100 - 950
 Include: All assets

AS:	Description	Meth/Life	Cost	Salvage Value	Depr Basis	Includes Section 179		
						Beg A/Depr	Curr Depr	End A/Depr
	JC#: 950 - OFFICE FURN & FIXTURES							
07/01/05	PRINTER	SLP/ 5.00	580.99	0.00	580.99	58.00	116.00	174.00
25/05	BLACK MOUNTAIN SOFTWARE	SLP/ 3.00	9,407.00	0.00	9,407.00	784.00	3,136.00	3,920.00
and totals: 950 - OFFICE FURN & FIXTURES (2 assets)			9,987.99	0.00	9,987.99	842.00	3,252.00	4,094.00
Grand totals for all accounts: (27 assets)			10,880,234.06	0.00	10,870,227.06	476,056.00	406,867.00	882,923.00

	Cost	Curr Depr	Ending A/Depr
Depreciable Assets (26 assets)	10,544,181.07	384,463.00	806,376.00
Amortizable Assets (1 assets)	336,052.99	22,404.00	76,547.00

Assets that may appear next to the date acquired include: A - Addition, D - Disposal, T - Traded, MQ - Mid Quarter Applied

Additional Summary Statistics:	Cost	Curr Yr Salv	Prior Yr Salv	Depr Basis	Beg A/Depr	Curr Depr	Ending A/Depr	Net Book Val
Grand Totals for All Assets	10,880,234.06	0.00	0.00	10,870,227.06	476,056.00	406,867.00	882,923.00	9,997,311.06
Less: Inactive Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Traded Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Totals (Active Assets)	10,880,234.06	0.00	0.00	10,870,227.06	476,056.00	406,867.00	882,923.00	9,997,311.06