

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

October 11, 2017

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on October 11, 2017. President Carl Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water & Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members Carl Peters, Nancy Belk, Carlotta Hecker, Merrill Walker and Stuart Deans. Also present were LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook of Morrison-Maierle, and Evelyn Pyburn of the *Yellowstone County News*.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the Board meeting of September 13, 2017, were presented for approval. One correction was noted: Page 2, bottom paragraph, delete "bid opening" and insert "**award of construction contract**".

- I. Stuart Deans moved to approve the Board meeting minutes of September 13, 2017 with the correction as noted. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Approval of Pay Application #2 to Springline Construction for the Johnson Lane water main extension**

Springline Construction's pay application #2 for completion of the Johnson Lane water main extension was presented for payment in the amount of \$3,975.

- II. Nancy Belk moved to approve final pay application #2 to Springline Construction for the Johnson Lane main line extension in the amount of \$3,975. Stuart Deans seconded the motion. Motion carried.

Copy of Springline Construction Pay Application #2 attached to minutes

- * Approval of Task Order No. 7 of Master Agreement between Lockwood Water & Sewer District and Morrison-Maierle, Inc. to provide construction and post construction engineering services for the Lockwood Raw Water Intake and Water Treatment Plant Improvements Project**

In response to a question by President Peters regarding the combining of three projects into Task Order No. 7, Jill Cook advised that the project bid on October 2nd was work on the intake, work in the chlorination room, and addition of two mixers, one at the Johnson Lane tank and one at the East Reservoir. The mixers are to help reduce icing in the reservoirs by keeping minimum circulation and to improve water quality by circulating the water in the reservoirs.

Manager Ariztia stated that the design portion of the project has always been based around all three portions of the project being combined in one project. The Task Order is for Morrison-Maierle to perform the construction observation, which utilizes a Resident Project Representative (RPR), and also Jill and other personnel to inspect and confirm that the work is satisfactory as it progresses. In addition, it includes handling the post construction phase.

- III. Nancy Belk moved to approve Morrison-Maierle Task Order #7 for engineering services on the pump station, treatment plant and the reservoirs in an amount not to exceed \$280,000. Merrill Walker seconded the motion. Motion carried.

Copy of MMI Task Order No. 7 attached to minutes

- * Award of construction contract for the Lockwood Raw Water Intake and Water Treatment Plant Improvements Project to Western Municipal Construction**

Manager Ariztia advised that bid opening was held on October 2nd. There were only two bidders on the project, COP Construction and Western Municipal Construction. Low bidder on the Intake and Water Treatment Plant Improvements Project was Western Municipal Construction in the amount of \$2,454,000; COP Construction was the high bidder at \$3,256,300.

The Board questioned the discrepancy in bid amounts between COP and Western. Jill Cook advised that COP had a different method planned for the cofferdam installation. COP was planning to drive sheet pile, however, with the overhead power lines, OSHA requirements of 20 foot clearance for electric lines posed problems for COP's cofferdam installation method. COP also wanted the lines de-energized and Northwestern Energy ultimately refused to de-energize their electric lines.

Western is proposing to use a product called Aqua Dam, which is a large plastic tube

that's made in a geotech style that might be used as a lagoon or canal liner. It is basically a sock that can be filled with water, and that creates a barrier in lieu of an earthen dam or perhaps in conjunction with an earthen dam. Terracon is the firm that will sign off on the Aqua Dam after it is approved for use. A detailed cofferdam plan will have to be submitted and approved before it is used.

Manager Ariztia informed the Board he had a conversation with TSEP and thought the Board should know the particulars before they approve the Western contract. TSEP is currently revising their contract documents, therefore, they do not have contract documents ready for the District to sign. Without a signed contract, TSEP funds are not available to the District. The initial plan was to first use \$1 million of District money, then once that was expended move into the TSEP grant money, and after the TSEP grant money was expended, move into the SRF loan funds.

As a result of the TSEP money not being available until the contract is signed, if the District signs the agreement with Western, it is proceeding at its own risk. The contract can be signed but if for some reason the \$625,000 from TSEP does not come through as guaranteed, the \$625,000 will fall on the District, whether it be District money or an increase in the money borrowed from SRF.

Jill advised that all permits are in place for the design. The only caveat is there may be additional permits needed. FWP is going to amend their permit to define where Western plans to place their temporary pump. Yellowstone County does not need to amend the floodplain permit. The Corps of Engineers has approved the construction, however, what they haven't commented on is Western's temporary pumping plan, but that is a permit the contractor is responsible to obtain if they decide it's needed.

- IV. Merrill Walker moved to award Western Municipal Construction the contract for the Intake and Water Treatment Plant Improvements Project in the amount of \$2,454,000. Nancy Belk seconded the motion. Motion carried.

MMI Letter of 10/5/17 and Bid Tabulation attached to minutes

FINANCIAL REPORTS

The Yellowstone County trial balance as of August 31, 2017 shows a balance owing the District of \$6,685.15.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period September 2017; Trial Balance with Revenue and Expenditures for the Accounting Period September 2017, Statement of Revenue Budget vs. Actual for the Accounting Period September, 2017; Statement of Expenditures - Budget vs. Actual Report for the Accounting

Period September, 2017.

- V. Carlotta Hecker moved to approve payment of the bills submitted on the Check/Claim Detail List. Nancy Belk seconded the motion. Motion carried.

OTHER BUSINESS:

None.

MANAGER REPORTS:

The water pumping record is as follows:

September, 2016	26,918,700
September, 2017	34,164,800

Wastewater record:

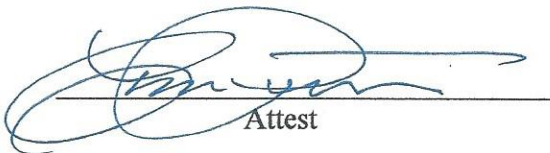
August, 2016	3,843,224
August, 2017	4,836,568

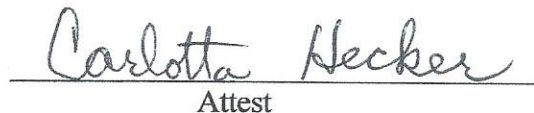
Manager Ariztia reported there was a TEDD meeting on October 10 at the middle school, mainly to look at the TEDD draft infrastructure plan. According to the Steering committee meeting on October 11, attended by Manager Ariztia and Jill Cook, the TEDD is moving forward with presenting the infrastructure master plan to agencies and the County Commissioners. The area where the Board may receive some questions or input is concerns about the District's existing water rights and being able to provide water to the TEDD in addition to the District's build-out. The District's water rights attorney has been contacted and he is looking into several options to acquire additional rights. For the most part, the analysis that Jill and Morrison-Maierle have done looks like the District's existing trunk system is able to accommodate build-out and the additional flows from the TEDD.

- VI. Merrill Walker moved to adjourn the meeting. Carlotta Hecker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:00 p.m.

The next Board meeting will be held on November 8, 2017.


Attest


Attest