

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

January 13, 2016

The regularly scheduled meeting of the Lockwood Water and Sewer District Board of Directors was held on January 13, 2016. President Carl Peters called the meeting to order at 7:05 p.m. in the conference room of the Lockwood Water & Sewer District Office, 1644 Old Hardin Road.

Present at the meeting were Board members Carl Peters, Nancy Belk, Carlotta Hecker, Merrill Walker, and Stuart Deans. Also present were Manager Mike Ariztia and Assistant Manager Tony Reed.

Guests present were Jill Cook, P.E., of Morrison-Maierle, Inc., Evelyn Pyburn of the *Yellowstone County News*, and Woody Woods, Lockwood resident.

Attendance and Voting Record attached hereto

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the Board meeting of November 9, 2015 were offered for approval. Two corrections were noted: Page 3, “Meyer” Road to “Maier”; and on Page 4, “Hannon” to “Ken Hannen”.

- I. Nancy Belk moved to approve the minutes of November 9, 2015 with the corrections as noted. Merrill Walker seconded the motion. Motion carried.

The minutes of the Board meeting of December 9, 2015 were offered for approval. One correction was suggested on Page 8: “Carl” of MMI was changed to add his last name, “Anderson” as a participant at the December 9 ExxonMobil meeting.

- II. Merrill Walker moved to approve the minutes of December 9, 2015, with the correction as noted. Carlotta Hecker seconded the motion. Motion carried.

SEWER:

NEW BUSINESS

TEDD Update by Woody Woods

Mr. Woods reported that on December 21st, he made a trip to Helena along with Steve Arveschoug of Big Sky Economic Development, Dianne Lehm with BSED, and Liz Ching, a representative of the Governor's Economic Development Administration. Vu Pham from Warren Transport also attended the meeting and presented the concept for Trailhead Commerce Park. The purpose of the meeting was to provide a presentation to the state funding agencies on the TEDD project. The funding agencies were all well represented.

The attendees were John Rogers with the Governor's Economic Development; Kirk Keysor, USDA, Anna Miller, DNRC, Brent Donnelly, Rural Development, Steve Troeundle, USDA, Sean Becker, Montana DOC, Todd Teegarden, DEQ, and Martin DeVitt, USDA. Participating by phone were Eleanor Kindness and Eric Joyce, both with Billings USDA.

The discussion was primarily on availability of financing for the project, whether it's totally private or a combination of private and the county, and looking at all options for funding that might be available as the TEDD moves forward.

The second phase has been delayed awaiting the signing of the engineering contract with Sanderson Stewart. The engineering schedule reviewed by the committee was anticipated to be completed in June, but due to the delay, it will be difficult to adhere to that schedule, and it may be August before it can be presented to the Yellowstone County Commissioners for approval.

It's a complex project, and the committee advised those in attendance they would have to answer questions from Lockwood, in particular the School District, on how it will affect their tax revenue, and also how it will affect the landowners in that area regarding inclusion and zoning.

It was a beneficial meeting and the group was excited about the project and asked to be kept up to date as it progresses. They also offered to provide input and suggestions on the next steps as the TEDD moves forward.

Approval of COP Construction Pay Application No. 3 for the Phase 2 Sewer Project

COP Construction presented Pay Application #3 for the Phase II sewer project in the amount of \$663,723.12. Included with this invoice is Morrison-Maierle's statement for this portion of the project which includes Pay Application #3 periods.

- III. Merrill Walker moved to approve COP Pay Application #3 for Phase II sewer project in the amount of \$663,723.12. Stuart Deans seconded the motion. Motion carried.

COP Pay Application #3 and MMI statement attached hereto

Update on Phase II Sewer Project:

Jill Cook advised COP Construction is on schedule, with completion anticipated by the end of August. With regard to the sewer portion of the project, they are ahead of schedule. The water portion will be delayed for warmer weather. Three crews are working right now, and they anticipate dropping down to two crews in March.

Jill reported that many residents are anxious to obtain sewer service, and inquire almost daily as to when they can hook up. There is the possibility of an early hook up for those areas that can be given a partial substantial completion designation. Manager Ariztia reported that almost everything that has been put into the ground at this point has been videoed and tested.

As far as water updates, a few services on Maier were changed from 4-inch to 8-inch pipe, and a fire hydrant was installed on the corner of Maier and Lantana. As discussed in prior meetings, Manager Ariztia reiterated that every tax code within the project area is getting a sewer service regardless of whether they currently have Lockwood water service. If they are in the Sewer District assessment boundary, they are entitled to a sewer hook up.

If the District chooses to have its responsibility go from the mainline to the property line, then a clean-out should be installed to verify whether an issue on the customer's property arises from the customer or whether it is attributable to the District. Manager Ariztia suggested a clean-out "Y" be installed at the stub-in to the property line when the property is hooked up to the sewer service. This will have to be added into the District's standard detail for sewer service. The Board directed Manager Ariztia to proceed with the plans for the clean-out to be added to the standard detail and rules and regulations.

WATER: NEW BUSINESS:

None.

OLD BUSINESS:

None.

FINANCIAL REPORTS:

The Yellowstone County Trial Balance was not received.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Periods December, 2015 and January, 2016; Trial Balance with Revenue and Expenditures for the Accounting Period December, 2015; Statement of Revenue Budget vs. Actual for the Accounting Period Statement December, 2015; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period December, 2015.

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

Financial Reports attached hereto

OTHER BUSINESS:

Manager Reports:

The water pumping record is as follows:

December, 2014	20,016.600
December, 2015	19,448,600

Wastewater record:

November, 2014	3,122,900
November, 2015	3,158,056

Manager Ariztia advised the Montana Rural Water conference will be held on February 17, 18 and 19, and asked for volunteers to attend. Board President Carl Peters and Board member Carlotta Hecker will attend the conference as Board members, along with Manager Ariztia and Nick Baker.

Manager Ariztia asked if the Board had any objection to eliminating the designation of water or sewer business on the agenda. There was no objection.

Todd Teegarden from DEQ visited LWSD on Tuesday. Mr. Teegarden is one of the parties in charge of funding for Phase 2 of the sewer project. He examined District records that are kept to ensure that the District is in compliance with all rules and regulations. He also did a field visit talking to each one of the crews, taking pictures and asking questions regarding the project. When he left, he expressed satisfaction with everything that he observed.

Manager Ariztia and Jill Cook attended a meeting with Candi Millar of City/County Planning. City/County Planning is exploring new land use zoning. Some of the new zoning has raised concerns about the possible increased densities. Manager Ariztia reviewed the plan and questioned what parameters were used when the water and wastewater systems were designed, how many people they were designed to accommodate, and the number of lots.

Jill Cook will update the spreadsheet for review of the new densities being looked at. It is not LWSD's decision, but it does impact the water and sewer districts as far as what the systems were designed to accommodate. Ms. Millar advised she thought there would be a public meeting in February.

Manager Ariztia brought up the matter of the availability of sewer service for those areas that do not have access to water service but do have access to sewer service, and should they be allowed the sewer service. The general consensus was they should. This will entail a change to the District's rules and regulations. Manager Ariztia hopes to have various changes to the rules and regulations compiled in the near future for presentation to the Board for approval.

President Peters reported that for the first time, the Lockwood Irrigation District will be able to control the spring runoff flood waters where LID's pump station and LWSD's auxiliary pump is located. An 8-inch deep concrete floor was poured with head walls 14-feet high, a foot thick and approximately 15-feet across, with three 3 feet by 3 feet openings for stainless steel gates. The concrete work is done, and they are waiting on the stainless steel gates. A trash rack will be installed in addition to a walkway across the structure.

V. Merrill Walker moved to adjourn the meeting. Nancy Belk seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:10 p.m.

The next Board meeting will be held on February 10, 2016.

Attest

Attest