

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

May 9, 2018

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on May 9, 2018. 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, Carlotta Hecker, Merrill Walker and Stuart Deans. Board member Nancy Belk was absent. Also present were 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:

Carlotta Hecker reported she had attended the Lockwood Safety Pedestrian Giveaway at the Lockwood School. Bikes were obtained from the Police Department that had been stolen and were refurbished by the group. Four of the third graders were given a new bike. They also gave away 50 helmets to third graders. Carlotta asked if next year Lockwood Water & Sewer would support purchasing a bike so they would have another bike to give away.

The question arose regarding LWSD being a public entity and if the use of public funds was proper. After discussion, Manager Ariztia said he would double-check with legal counsel to see if it was permissible.

APPROVAL OF MINUTES:

The minutes of the April 19, 2018 Board meeting were presented for approval. One correction was noted on Page 5. The sentence "Award of construction contact" should be changed to read "Award of construction contract".

- I. Merrill Walker moved to approve the minutes of the April 19, 2018 Board meeting with the correction as noted. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Approval of Western Municipal Corporation Pay Application 6 for the water Intake project**

Western Municipal Pay Application No. 6 in the amount of \$359,907.50 was presented for payment for services performed as of April 27, 2018 on the Water Intake Project.

II. Stuart Deans moved to approve Western Municipal Construction Pay Application No. 6 in the amount of \$359,907.50. Carlotta Hecker seconded the motion. Motion carried.

* **Resolution No. 147** - To adopt the 2018 Water Master Plan/Preliminary Engineering Report Update

Resolution No. 147 was presented to the Board for approval. Carlotta Hecker read the Resolution into the record as follows:

Resolution

To Adopt the 2018 Water Master Plan/Preliminary Engineering Report Update

WHEREAS, the Lockwood Water and Sewer District completed an update to the 2016 Water Master Plan/Preliminary Engineering Report to identify needs in the District's drinking water system;

WHEREAS, the Water Master Plan/Preliminary Engineering Report identifies needs in the District's drinking water supply, intake, treatment, storage, pumping stations, and distribution layout;

WHEREAS, the Water Master Plan/Preliminary Engineering Report provides recommendations for improvements to remedy the District's drinking water system needs;

WHEREAS, the Water Master Plan/Preliminary Engineering Report provides recommendations for financing the recommended drinking water system improvements;

WHEREAS, the Lockwood Water and Sewer District has the legal jurisdiction and authority to construct, finance and maintain the drinking water system;

WHEREAS, the Lockwood Water and Sewer District intends to provide the resources/funds necessary to construct the recommended improvements;

WHEREAS, the Lockwood Water and Sewer District held public meetings on April 19, 2018 at the Lockwood Fire Station at 7:00 pm to receive comments from the public;

NOW, THEREFORE, BE IT RESOLVED by the Lockwood Water and Sewer District adopts the Water Master Plan/Preliminary Engineering Report.

Passes and approved on this date of May 9, 2018.

III. Merrill Walker moved to approve Resolution No. 147 adopting

the 2018 Water Master Plan/Preliminary Engineering Report Update.
Stuart Deans seconded the motion. Motion carried.

- * **Resolution No. 148** - To accept the determination that an Environmental Assessment is appropriate for the water system improvement work proposed in the 2018 Update to the Lockwood Water Master Plan/Preliminary Engineering Report.

Resolution No. 148 was presented to the Board for approval. Carlotta Hecker read the Resolution into the record as follows:

Resolution

To accept the determination that an Environmental Assessment is appropriate for the water system improvement work proposed in the 2018 Update to the Lockwood Water Master Plan/Preliminary Engineering Report.

WHEREAS, the Lockwood Water and Sewer District has completed an assessment to identify potential environmental impacts of the water system improvements proposed in the 2018 Master Plan/Preliminary Engineering Report Update to human health and the environment;

WHEREAS, the draft Environmental Assessment was made available for public comment and the findings were presented and reviewed at a public meeting on April 19, 2018;

WHEREAS, no substantive public comment was received;

WHEREAS, the Lockwood Water and Sewer District has determined that the water system improvements proposed in the 2018 Water Master Plan/Preliminary Engineering Update Report will not significantly affect the quality of the human environment and accordingly the Lockwood Water and Sewer District has determined an Environmental Impact Statement is not necessary;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

That Lockwood Water and Sewer District adopts the final Environmental Assessment for the water system improvements proposed in the Master Plan/Preliminary Engineering Report.

Passes and approved on this date of May 9, 2018.

- IV. Merrill Walker moved to adopt Resolution No. 148 to accept the determination that the final Environmental Assessment is appropriate for the water system improvement work proposed in the 2018 Update to the Lockwood Water Master Plan/Preliminary Engineering Report.
Stuart Deans seconded the motion. Motion carried.

* **Resolution No. 149** - To adopt the 2018 Water Capital Improvement Program (CIP)

Resolution No. 149 was presented to the Board for approval. Carlotta Hecker read the Resolution into the record as follows:

Resolution
To adopt the 2018 Water Capital Improvement Program (CIP) based off of
the 2018 Water Master Plan/Preliminary Engineering Report Update

WHEREAS, the Lockwood Water and Sewer District completed an update to the 2016 Water Master Plan/Preliminary Engineering Report to identify needs in the District's drinking water system.

WHEREAS, the Water Master Plan/Preliminary Engineering Report identifies needs in the District's drinking water supply, intake, treatment, storage, pumping stations, and distribution layout;

WHEREAS, the Water Master Plan/Preliminary Engineering Report provides recommendations for improvements to remedy the District's drinking water system needs;

WHEREAS, a Capital Improvement Program (CIP) was developed based on the recommendations made in the 2018 Water Master Plan/Preliminary Engineering Report Update to remedy the District's drinking water system needs;

WHEREAS, the Water Capital Improvement Program (CIP) provides recommendations for financing the recommended drinking water system improvements;

WHEREAS, the Lockwood Water and Sewer District has the legal jurisdiction and authority to construct, finance, and maintain the drinking water system;

WHEREAS, the Lockwood Water and Sewer District intends to provide the resources/funds necessary to construct the recommended improvements;

NOW, THEREFORE, BE IT RESOLVED by the Lockwood Water and Sewer District adopts the Water Master Plan/Preliminary Engineering Report.

Passes and approved on this date of May 9, 2018.

- V. Stuart Deans moved to approve Resolution No. 149 to adopt the 2018 Water Capital Improvement Program (CIP) based off of the 2018 Water Master Plan/Preliminary Engineering Report Update. Merrill Walker seconded the motion. Motion carried.

* **Resolution No. 150** - Authorizing submission of the TSEP Application for funding of the 2020 water system improvements identified in the 2018 Water Master Plan/Preliminary Engineering Report Update.

Resolution No. 150 was presented to the Board for approval. Carlotta Hecker read the Resolution into the record as follows:

**Resolution
Authorizing Submission of TSEP application**

WHEREAS, the Lockwood Water and Sewer District is applying to the Montana Department of Commerce for financial assistance from the Treasure State Endowment Program (TSEP) to make improvements to the District's drinking water infrastructure as recommended in the 2018 Water Master Plan/Preliminary Engineering Report Update;

WHEREAS, the Lockwood Water and Sewer District has the legal jurisdiction and authority to construct, finance, operate and maintain the District's drinking water infrastructure;

That the Lockwood Water and Sewer District agrees to comply with all State laws and regulations and the requirements described in the TSEP Application Guidelines and those that will be described in the TSEP Project Administration Manual;

That the Lockwood Water and Sewer District commits to provide the amount of matching funds as proposed in the TSEP application; and

That Carl Peters, Board President, is authorized to submit this application to the Montana Department of Commerce, on behalf of Lockwood Water and Sewer District to act on its behalf and to provide such additional information as may be required.

Passes and approved on this date of May 9, 2018.

- VI. Merrill Walker moved to adopt Resolution No. 150 Authorizing submission of the TSEP Application for funding of the 2020 water system improvements identified in the 2018 Water Master Plan/Preliminary Engineering Report Update. Stuart Deans seconded the motion. Motion carried.

Copies of Resolution Nos. 147, 148, 149, 150 attached to minutes

Manager Ariztia reported that the paperwork for recovery of the District's \$625,000 TSEP grant was submitted, but it will not be acted upon until the next legislative session.

OLD BUSINESS:

None.

FINANCIAL REPORTS

The April Yellowstone County ending trial balance was not received.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period April, 2018; Trial Balance with Revenue and Expenditures for the Accounting Period April, 2018, Statement of Revenue Budget vs. Actual for the Accounting Period Statement, April, 2018; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period April, 2018.

- VII. Carlotta Hecker moved to approve payment of the bills submitted on the Check/Claim Detail List. Merrill Walker seconded the motion. Motion carried.

OTHER BUSINESS:

- * **Intake project update**
Sewer PER update

Intake project update

Western Municipal is seven working days behind. The project is 83% completed. The pumps have been received but not installed. The building is constructed, and the interior should be finished by this week. The chlorination equipment is delivered, and the mixers are installed in Johnson Lane Reservoir and East Reservoir. Substantial completion now is anticipated by May 27, and final completion by early July, 2018.

Manager Ariztia advised that the temporary pumps in the river that provide water to the treatment plant have had issues over the last week due to the significant amount of water that's in the river. Temporary power was run out to the irrigation canal and the District pumped water out of the canal. The crane will be set up to pull the pumps and cage out of the river. A sump will be dug closer to the bank since the water level is so high.

Sewer PER Update

Jill Cook reported that the PER update is 95% completed. She is working with TSEP to finalize LWSD rates versus target rates to ascertain the amount of grant available to the District.

MANAGER REPORTS:

The water pumping record is as follows:

April, 2017	21,518,400
April, 2018	19,930,300

Wastewater record:

March, 2017	4,443,120
March, 2018	4,746,060

Manager Ariztia advised that now that things are drying out, some residents are having significant issues with their drain fields so there has been an increase in people connecting into the sewer over the last few weeks.

Jill Cook's presentation at the public meeting on April 19 is now available on the District's website.

Jill Cook and Manager Ariztia attended a meeting with Exxon and are looking at doing an additional update or review of the Exxon connection study to look at Exxon potentially discharging more than the 2 million gallons per day that they originally requested.

Manager Ariztia is working on the budget for the upcoming fiscal year and hopes to have it ready for the June meeting; if not, for the July meeting.

VIII. Stuart Deans 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 8:25 p.m.

The next Board meeting will be held on June 13, 2018.


Attest


Attest