

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

**June 13, 2018**

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on June 13, 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, Nancy Belk, Carlotta Hecker, Merrill Walker and Stuart Deans. Also present was 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 May 9, 2018 Board meeting were presented for approval. One correction was noted on the third paragraph of Page 7. The portion of the sentence reading "Exxon potentially discharging more than the 2 million gallons per day **than** they originally requested" should be changed to read "**that** they originally requested".

- I. Nancy Belk moved to approve the minutes of the May 9, 2018 Board meeting with the correction as noted. Merrill Walker seconded the motion. Motion carried.

**NEW BUSINESS:**

**\* Approval of Western Municipal Corporation Pay Application 7 for the Water Intake Project**

Western Municipal Pay Application No. 7 in the amount of \$286,045.95 was presented for Board approval for services performed as of May 25, 2018 on the Water Intake Project.

- II. Stuart Deans moved to approve Western Municipal Construction Pay Application No. 7 in the amount of \$286,045.95. Merrill Walker seconded the motion. Motion carried.

**Copy of Western Pay Application No. 7 attached to minutes**

\* **Resolution No. 151 - Fiscal year 2019 Sewer Planning Budget**

- III. Nancy Belk moved to adopt Resolution No. 151 approving the 2019 Sewer Planning Budget in the amount of \$52,600.00. Stuart Deans seconded the motion. Motion carried.

Resolution No. 151 was reviewed and approved by the Board of Directors. Carlotta Hecker read the Resolution into the record as follows:

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 13<sup>th</sup> day of June 2018 at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

**RESOLUTION:** Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Sewer Planning Budgets for fiscal year 2019 be approved in the amount of \$52,600.00.

\* **Resolution No. 152 - Fiscal year 2019 Sewer Operations Expense Budget**

- IV. Nancy Belk moved to adopt Resolution No. 152 approving the 2019 LWSD Sewer Operations Budget in the amount of \$1,683,465.00, and 2019 Fiscal Year Capitalization Budget in the amount of \$469,989.00; Total:\$2,153,454.00. Stuart Deans seconded the motion. Motion carried.

Resolution No. 152 was reviewed and approved by the Board of Directors. Carlotta Hecker read the Resolution into the record as follows:

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 13<sup>th</sup> day of June 2018, at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

**RESOLUTION:** Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2019 Sewer Operations Expense Budget and the Fiscal Year 2019 Capitalization Budget for Fiscal Year 2019 be approved as represented in the attachments to this Resolution entitled "Proposed 2019 LWSD Sewer Operations Expense Budget" (page 2) with supporting exhibits entitled "2019 Forecasted LWSD Sewer Income" (page 1), "Proposed 2019 LWSD Capitalization Budget" (page 3). The sewer operations expense budget for Fiscal year 2019 therefore be approved in the amount of \$1,683,465.00 and the Fiscal Year 2019

LWSD Capitalization Budget be approved in the amount of \$469,989.00. Total: \$2,153,454.00.

\* **Resolution No. 153 - Fiscal Year 2019 Water Operations Expense Budget**

V. Stuart Deans moved to approve Resolution No. 153 to adopt the Fiscal Year 2019 Water Operations Expense Budget in the amount of \$1,393,522.50, and the Fiscal Year 2019 LWSD Capitalization Budget in the amount of \$1,603,000.00; Total: \$2,996,522.50. Merrill Walker seconded the motion. Motion carried.

Resolution No. 153 was reviewed and approved by the Board of Directors. Carlotta Hecker read the Resolution into the record as follows:

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 13<sup>th</sup> day of June 2018, at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

**RESOLUTION:** Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2019 Water Operations Expense Budget and the Fiscal Year 2019 Capitalization Budget for Fiscal Year 2019 are approved as represented in the attachments to this Resolution entitled "Proposed 2019 LWSD Water Operations Expense Budget" (page 2) with supporting exhibits entitled "2019 Forecasted LWSD Water Income" (page 1, "Proposed 2019 LWSD Capitalization Budget" (page 3), Projected Cash Flow - LWSD Water Operations F.Y. 2019" (page 4). The water operations expense budget for Fiscal Year 2019 therefore approved in the amount of \$1,393,522.50, the Fiscal Year 2019 LWSD Capitalization Budget approved in the amount of \$1,603,000.00, Total \$2,996,522.50.

**Copies of Resolution Numbers 151, 152 and 152 attached to minutes**

\* **Approval of Morrison Maierle Amendment 2, to the Exxon Connection Study Contract**

Morrison Maierle presented for approval Amendment No. 2 modifications to the Exxon Connection Study Contract. Morrison Maierle is to provide additional analysis and a report Amendment to the Exxon Connection Study. Compensation for additional services will be \$8,600 bringing the project ceiling to \$31,703.07. The report Amendment will be completed within eight weeks of the effective date of contract Amendment, which is June 3, 2018. Exxon will cover the cost for the additional study.

**Copy of Morrison Maierle Amendment No. 2 attached to minutes**

- VI. Merrill Walker moved to approve Morrison Maierle's Amendment 2 to the Exxon Study Connection Study in the amount of \$8,600. Nancy Belk seconded the motion. Motion carried.

**OLD BUSINESS:**

None.

**FINANCIAL REPORTS**

The Yellowstone County ending trial balance as of May 31, 2018 was \$42,844.75.

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

- VII. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Stuart Deans seconded the motion. Motion carried.

**OTHER BUSINESS:**

- \* **Intake project update**
- Sewer PER update**
- Lift Station update**

**Intake project Update**

The project is 95.3% completed. The equipment has been installed, and the project is proceeding with testing and startup. Final pay application should be submitted at the August Board meeting.

**Sewer PER Update**

There is nothing new to report on the Sewer PER, and is on hold for now. The water PER is complete. Nittany Grantworks is getting ready to submit a grant application to TSEP on June 15<sup>th</sup>.

**Lift Station Update**

The Western Municipal contract is signed, and the pump has been ordered. Western

Municipal is planning on starting on the lift station project sometime after the 4<sup>th</sup> of July.

**MANAGER REPORTS:**

The water pumping record is as follows:

May, 2017	29,167,400
May, 2018	25,405,500

Wastewater record:

April, 2017	3,612,840
April, 2018	4,155,140

Manager Ariztia advised that currently there are 105 Phase 2 connections. There are at least five connections that are probably going to happen in the next couple weeks. Between Phase 1 and Phase 2, there are 267 paid. Out of the 267 that are paid, 226 are connected into the system. In the Phase 1 sewer system, Town Pump, Prince Trucking and Titan Machinery will be connecting to the system very soon.

A postcard was presented for Board approval to be sent out to the water users advising that the 2017 Annual Drinking Water Quality Report was available online and a paper copy is available at the main office. It also advised that the Phase 2 Sewer Sub-district System Development Fee was delayed to take effect on July 1, 2019, and a reminder that the new water and sewer residential rates take effect on July 1, 2018.

**Copy of Postcard attached to minutes**

- VIII. Nancy Belk 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 8:30 p.m.

The next Board meeting will be held on July 11, 2018.

  
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Attest

  
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