

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

January 9, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on January 9, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

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

Attendance and Voting Record attached to minutes

APPROVAL OF MINUTES:

The minutes of the December 12, 2018 Board meeting were presented for approval. Two corrections were noted: Page 1, minutes of the **November 14, 2018** meeting – not November 11, 2018 meeting – were presented for approval. Also, the motion to approve the minutes should read **November 14, 2018** meeting – not December 12, 2018 meeting.

On Page 2, the bottom of paragraph 2 beginning with “The January MMI contract ...”, was changed to read, “. . . 4650 lineal feet extending down Johnson Lane to Highway 87, and then west on Highway 87 to Hillside Village and the section of the water main on Prairie Drive. Bidding will be structured to allow either Johnson Lane and Prairie Drive only, or to build the entire project.”

- I. Nancy Belk moved to approve the minutes of the December 12, 2018 Board meeting with the corrections as noted. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Discussion on the District’s reserve capacity at the City of Billings wastewater treatment plant. Review of flows on the 2008 Wastewater Service Agreement, current flows, projected future flows, and possible strategies.**

Manager Ariztia advised that he had attempted to put all pertinent information on a Reserve Capacity Information Sheet given to the Board. The information sheet outlines a portion of what was contained in the original Wastewater Service Agreement, the District’s position as far as current flows, what has been paid overall in reserve capacity since its

inception, and a projection based on the flow study as to what the District flows would be at year 2027 and 2037.

In response to a question from Stuart Deans regarding a “peaking factor” of 3, Jill Cook advised the peaking factor represents an average day demand where you take basically what you use in a month or a year and average it out as through it was constant. Peaking factors vary, but it is to account for peak periods of use. Jill advised a peaking factor of 3 is common in projecting wastewater flows.

The 2008 Wastewater Service Agreement estimated Lockwood full build-out in 2020, and the District is not even close to that at this time. That projected build-out was based on the 1998 facility plan. The projected average daily flow per the agreement was 0.91 mgd, and with the 3 peaking factor, the projected maximum daily flow was 2.74 mgd. The reserve capacity was set by the City at 80% of maximum daily flow or 2.19 mgd. To receive the remaining 20% reserve capacity, the agreement will have to be renegotiated.

The 2018 actual average daily wastewater flow was 0.16 mgd with a maximum daily flow of .18 mgd, and the District is currently at 7% of total reserve capacity. From 2011 to 2019, the cost to the District has been \$1.5 million. There are presently 126 connections in Phase 1, and 114 connections in Phase II representing 35% of Phase I, and 18% of Phase II. Carlotta Hecker advised there is interest in the sewer and thought there should be some way of letting residents know there is financial help available for connecting to the sewer, which is based on residents’ financial status. Manager Ariztia will call Rural Development to see if their program is still in place for financial assistance.

The Board previously voted to lock in the Phase II System Development Fee for three years to allow people to connect in without an increase in the System Development Fee. July 1, 2019 is the end of that three-year period and those fees will raise. The Board discussed ways to let the residents know it would be financially advantageous to connect to the sewer before July 1st. The Board directed Manager Ariztia to send out a brightly-colored postcard with the fee information and contact information for financial assistance.

The agreement with the City states that the District may, at its sole discretion, decrease the amount of reserve capacity. Any increase of the reserve capacity at that time, however, shall be subject to the approval and acceptance of the City. This provision is applicable each time the agreement is renegotiated. Manager Ariztia advised he believes the City is aware of the financial burden this places on the District.

Manager Ariztia advised he did not anticipate a decision on reserve capacity at this time, and it will be placed on the February agenda for further discussion.

Reserve Capacity Information Sheet attached to minutes

* **Approval of Task Order #9 to the Water Master Agreement with Morrison Maierle, to perform design and Bidding Phase services for the Johnson Lane - Hwy. 87E waterline extension**

Jill Cook presented Task Order No. 9 to perform the design and bidding phase services for the Johnson Lane - Highway 87E waterline extension. The project is expected to include approximately 4,300 lineal feet of new 12-inch water main to connect the existing water mains in Johnson Lane and Highway 87E. Also included is approximately 350 feet of 8-inch waterline in Prairie Drive, to be paid in a lump sum payment of \$109,300.00 based on hours of service.

- II. Nancy Belk moved to approve Morrison Maierle, Inc., Task Order No. 9 for design and bidding phase services for the Johnson Lane - Highway 87E waterline extension, not to exceed \$109,300.00. Stuart Deans seconded the motion. Motion carried.

Copy of Task Order No. 9 attached to minutes

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 Period December, 2018; Trial Balance with Revenue and Expenditures for the Accounting Period December, 2018; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, December, 2018; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period December, 2018.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- III. 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**

The new motor control centers and VFDs have arrived in Billings. A meeting is scheduled between Western Municipal and Manager Ariztia on Thursday, of January 10, to go

over the installation procedures. Replacement is set to begin next week, and hopefully everything will be in place by the end of February. No liquidated damages will be assessed to Western Municipal as the replacement deadline for assessment of liquidated damages was the end of March, 2019.

*** Johnson Lane and Prairie Drive property purchase update**

Manager Ariztia received the signed purchase agreement from the property owners. The District can now move forward to split that section of property off the main property, obtain title to the property and complete the purchase. Additional work will be required from Morrison-Maierle to prepare the documents for the Certificate of Survey.

MANAGER REPORTS:

The water pumping record is as follows:

December, 2017	18,814,100
December, 2018	18,480,100

Wastewater record:

November, 2017	4,164,116
November, 2018	3,922,512

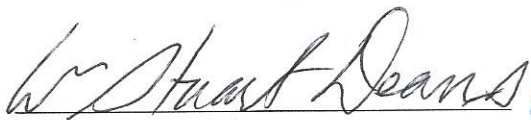
Manager Ariztia informed the Board that he will not be attending the legislative session this year. He will be out of the office the last two weeks of the month, January 21 through February 1.


ADJOURNMENT:

IV. Nancy Belk moved to adjourn the meeting. Stuart Deans seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:40 p.m.

The next Board meeting will be held on February 13, 2019.


Attest


Attest