

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

March 13, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on March 13, 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, Merrill Walker and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, and Jill Cook of Morrison-Maierle.

**Attendance and Voting Record attached to minutes**

**APPROVAL OF MINUTES:**

The minutes of the February 13, 2019 Board meeting were presented for approval. On Page 2, Mr. Baker's name is "**Nick**," not Mick.

In the Intake Project Update under Other Business, President Peters suggested that it would be beneficial if the number of the pumps would be included in the minutes. Therefore, in paragraph 2 under the Update portion, the second sentence should read, "When they installed the new VFDs, pump 3 did not work."

Paragraph 3, first sentence, should read "One of the other pumps, pump 1, was supposed to be pumping 2,000 gallons per minute, and it's only pumping 1690 gpm . . ."

Paragraph 4, first sentence, should read, "Jill Cook advised Western was trying to get the air purge working on line 3, . . ."

- I. Carlotta Hecker moved to approve the minutes of the February 13, 2019 Board meeting as corrected. Merrill Walker seconded the motion. Motion carried.

**NEW BUSINESS:**

None.

**OLD BUSINESS:**

None.

## FINANCIAL REPORTS

The February Yellowstone County trial balance indicated a balance due the District of \$8,839.70.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period February, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period February, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, February, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period February, 2019.

## APPROVAL OF BILLS DUE FOR SIGNATURE:

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

## OTHER BUSINESS:

### \* Intake Project Update

Pumps 1 and 3 are still at the factory being repaired. There has not been an update on exactly what was wrong, but the parts are expected this week. Because Western Municipal has no control over what is going on with these pumps once they were pulled and sent to the factory, it is unlikely they will be able to meet the March 20<sup>th</sup> deadline for completion. They have requested that the deadline be extended to April 19<sup>th</sup>, which would be Change Order No. 8.

All the work associated with the specific issue of the VFDs is complete, and it was agreed not to charge Western Municipal liquidated damages for that portion of the project. The pump issues for pump 1 and pump 3 were not discovered until after the VFDs were installed. Manager Ariztia did not think it was unreasonable to allow another month for completion. Two pumps, pumps 2 and 4, are operating as they should be operating, which includes lines 2 and 4.

- III. Nancy Belk moved to approve Change Order No. 8 to extend the Intake Project Addendum deadline to April 19, 2019. Merrill Walker seconded the motion. Motion carried.

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

Manager Ariztia advised that all the documentation was submitted to City/County Planning for its review. After completion of the review, a list of small items that needed to be taken care of was provided to the District, but none were major.

Morrison-Maierle will do the official Mylars for the splitting of the property. Once the



Mylars are signed by the owners, title can be transferred. City/County Planning wants to record the split documents at the same time the deed is recorded for the transfer of ownership. Manager Ariztia will then contact a title company to start the transfer process.

Jill Cook advised a zone change will have to be applied for before building is started. The waterline is proceeding slowly right now because the survey was not accomplished before the large snowfall came. As soon as the snow melts, the survey will be completed.

\* **Update on the District Reserve Capacity**

Manager Ariztia advised there was really no change in the status. He did, however, want to affirm with the Board one more time that they want him to go forward with a meeting with the City to inquire as to what the process would be for reduction of the reserve capacity. The Board reiterated their request for him to move forward in approaching the City to potentially reduce the reserve capacity.

\* **204 Hickory request to remove Phase 2 sewer assessment based on lot size**

The owner of 204 Hickory received a sewer service per tax code on each of its two lots, and accordingly, is required to pay a sewer assessment on each lot. The property is for sale, and is zoned R-150, which sets forth a lot size requirement of 15,000 square feet per lot. The smaller parcel is 13,650 square feet, so it does not meet the zoning requirements to be able to build upon or to sell as a separate lot under the provisions of Section 27-402, Billings, Montana City Code, "Nonconforming lots of record."

City/County Planning advised the owners that the two lots have to be sold as one property because the smaller lot does not meet the minimum zoning requirements. The property owners and buyer are questioning why they have to pay a sewer assessment on the smaller lot for something they can't use. According to District rules, consolidating properties does not eliminate the need to pay an assessment on both lots as there is a sewer service on each lot.

City/County Planning advised that there are options available to make the smaller lot a buildable or sellable lot. A variance can be requested; a lot line adjustment can be done, taking from the large lot to meet the requirements for the smaller lot to 15,000 square feet, or it can be re-zoned.

Due to the fact that these options are available, and in accordance with the rules of the District, it was the Board's decision to decline the request.

**MANAGER REPORTS:**

The water pumping record is as follows:

February, 2018	20,393,200
February, 2019	17,137,000

Wastewater record:

January, 2018	4,535,124
January, 2019	5,090,140

The Board requested that Exxon's discharge figures be included with the water usage and wastewater figures for Board review.

The 2018 Wipfli audit has been completed and Matt Hjelm is scheduled to present the report at the April meeting.

Manager Ariztia is tentatively scheduled to give a joint presentation with Big Sky Economic Development at one of the City Council work sessions to discuss expanding Lockwood's boundary to bring the TEDD into it.

Manager Ariztia stated the Rural Water convention went well and they attended quite a few classes. From what he learned, it appears the District will get the money it requested minus the RRGL funding.

President Peters asked if there were any legislative issues that were discussed. Manager Ariztia advised there was one legislative bill introduced to create a dispute resolution committee type organization for people who had issues with districts. Also, HB652 was just introduced, which includes funding for major building projects, and local water, wastewater, bridge and reclamation projects. The future of these bills is unknown at this point.

HB625 was introduced to eliminate numeric nutrient standards for water quality laws, and that passed the House and it's presently before the Senate Natural Resources Committee. Manager Ariztia attended a meeting concerning the Lockwood brown water plume and where it is now, and some of the steps they're taking to eliminate it, but that also is uncertain at this time.

Manager Ariztia suggested putting together a working group to re-look at the portions of Lockwood without sewer service to see what the original design was, where the mains were going, how different areas were planned to be serviced to see if there are alternatives and options that haven't been explored. Jill Cook will bring the topographic maps and the current pipe layout. A meeting will be held on March 27<sup>th</sup> at noon for Board members that wish to attend.

President Peters proposed the recording secretary's fee for attendance at the monthly meeting and preparation of the minutes be increased from \$125 to \$150 per meeting.

IV. Nancy Belk moved to increase the recording secretary's

fee from \$125 to \$150 per meeting. Stuart Deans seconded the motion. Motion carried.


**ADJOURNMENT:**

- V. 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 8:25 p.m.

The next Board meeting will be held on April 10, 2019.

  
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Attest

  
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Attest