

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

May 8, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on May 8, 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, Carlotta Hecker, Merrill Walker and Stuart Deans. Board member Nancy Belk was absent. 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 April 10, 2019 Board meeting were presented for approval. Two corrections were noted to the minutes on Page 5: The motion for adjournment should read: "**Carlotta Hecker** seconded the motion." The bottom sentence should read: "The next Board meeting will be held on **May 8, 2019**."

- I. Carlotta Hecker moved to approve the minutes of the April 10, 2019 Board meeting as corrected. Merrill Walker seconded the motion. Motion carried.

**NEW BUSINESS:**

\* **Discussion on LT2 2<sup>nd</sup> round sampling results and possible courses of action**

Manager Ariztia advised the District performed two rounds of 12-month E.coli source water monitoring and exceeded the LT2 threshold in the second round. Subsequently, DEQ advised LWSD that it must comply with the LT2 in one of two ways, by implementing a Cryptosporidium source monitoring program or by installing additional treatment processes or additional disinfection that would disable or kill potential pathogens. With the water treatment plant upgrade scheduled for next year, Manager Ariztia felt it might be a good opportunity to include one of the alternatives for LT2 compliance as long as it wasn't cost prohibitive. Jill Cook was asked to put together an additional memo to give the District an estimate on what it

would cost to implement the UV disinfection alternative as it appears it would be the most feasible and cost-effective treatment to accomplish LT2 compliance.

**MMI Memo dated 5/2/18 attached to minutes**

**\* Discussion and possible approval of Western Municipal Construction's proposed options for intake pump #1**

Pump No. 1 is still not performing as was contemplated, generating 1850 gpm versus the anticipated 2000 gpm. With additional testing it was determined it is a pump issue. As a solution, Western Municipal and Zylams Mfg. have offered to provide the District with a brand-new pump, minus a motor, that the District could utilize as a spare pump.

II. Merrill Walker moved to accept Western Municipal Construction's proposal to provide the District with a brand-new pump, minus a motor, as a solution to the problems encountered with Pump No. 1. Stuart Deans seconded the motion. Motion carried.

**\* Approval of Western Municipal Construction Pay Application #10 (FINAL) for the Water Intake Project**

Western Municipal Construction presented the final Pay Application #10 for the Water Intake Project. This includes all items encompassed in the contract, in the amount of \$158,716.71. By approving this pay application, the Board will be issuing substantial and final completion of the project and starting the two-year warranty period as of approximately two weeks ago.

III. Merrill Walker moved to approve Western Municipal Construction's final Pay Application No. 10 in the amount of \$158,716.71. Carlotta Hecker seconded the motion. Motion carried.

**Copy of Pay Application No. 10 attached to minutes**

**OLD BUSINESS:**

President Peters brought up the fact that the District had lost out on a better price on the dump trailer by waiting for Board approval of a purchase already provided for in the budget. The Board advised Manager Ariztia he did not have to bring a purchase before the Board if it was approved in the budget, and if it met the price limits set forth in the budget.

As an update, both the used and the new dump trailer were sold. The dealer advised it hoped to receive a new shipment of trailers within two weeks and will call when they arrive.

**FINANCIAL REPORTS**

No trial balance from Yellowstone County was provided.

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

#### **APPROVAL OF BILLS DUE FOR SIGNATURE:**

- IV. Carlotta Hecker moved to approve payment of the bills submitted on the Check/Claim Detail List. Stuart Deans seconded the motion. Motion carried.

#### **OTHER BUSINESS:**

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

The Mylars have been signed and sent back, and Morrison-Maierle submitted them to the County. It appears that as of today, everything looks good, and LWSD should be able to close on the property within the next couple weeks.

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

Manager Ariztia and Jill Cook attended a meeting with the City of Billings, including Dave Mumford and Jennifer Duray, to talk about the reserve capacity. Mr. Mumford advised they are willing to make a recommendation to the City Council to allow LWSD to reduce the reserve capacity. However, with questions that have arisen over the TEDD, Manager Ariztia is questioning the advisability of moving forward with a request for reducing reserve capacity at this time. This issue will be held in abeyance for further review and discussion.

\* **Lockwood TEDD update**

Manager Ariztia advised nothing has changed. He has had several meetings with Big Sky Economic Development, along with the City Manager and Dave Mumford to discuss some of the issues surrounding the TEDD. It's not a utility issue, it's a money issue, and the potential for long-term revenue from the TEDD. Ultimately this will be between the County and the City as to how it will turn out.

#### **MANAGER REPORTS:**

The water pumping record is as follows:

April, 2018	19,930,300
April, 2019	20,014,800

Wastewater record:

March, 2018	4,746,060
March, 2019	5,130,532
March, 2019 Exxon Wastewater	53,906,864

The District's informational card to Lockwood residential users regarding the yearly water quality report, and rate changes effective July 1, 2019, is attached to the minutes.

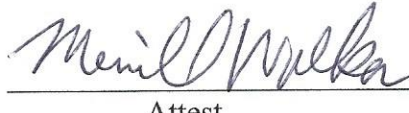
**ADJOURNMENT:**

V. Merrill Walker 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 8:10 p.m.

The next Board meeting will be held on June 12, 2019.

  
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