

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

July 10, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on July 10, 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, Jill Cook, P.E., of Morrison-Maierle, Inc., and Evelyn Pyburn, *Yellowstone County, News*.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the June 12, 2019 Board meeting were presented for approval. One correction was noted on Page 5, Task **Oder** No. 11 should be Task **Order** No. 11.

- I. Stuart Deans moved to approve the minutes of the June 12, 2019 Board meeting as corrected. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Superior Builders, Inc., petition for inclusion into Water District Boundary, Fraction of the North ½ Section 28, less the NW 1/4 of the SW 1/4 of the NE 1/4, Section 28, Emerald Hills 2nd Filing, Emerald Hills 3rd Filing, Emerald Hills Westgate 2nd Filing, Certificate of Survey 2674 Amended, and Emerald Hills Acreage Tracts Subdivision 5th Filing (Tax ID Do6545).**

Manager Ariztia presented a map of the property petitioned for inclusion by Superior Builders, Inc., blue representing property previously included in the District, designated as Phase I. Phase II, requested for inclusion in this petition, will encompass 16 lots, and is designated in yellow. Phase I currently has all the water mains installed. They have been chlorinated and pressure tested and are in place.

The petition requests that all the property set forth in the above description (pink and yellow) be brought into the District boundary. There are elevation level problems that will have to be addressed. At present, Lots 14, 15 and Lot 4 are questionable due to elevation height limit and the District's ability to adequately provide water to the property.

The Board's consensus was to allow Phase II properties (designated yellow) in at this time. Manager Ariztia will present an ordinance at the August meeting with verbiage to the effect if the sewer boundary ever extends to the other properties, they will automatically be included.

Copy of Petition and map attached to minutes

- * **Approval of Task Order No. 12 to the Water Master Agreement with Morrison-Maierle, to perform design and Bidding Phase services for the 2020 Water Treatment Plant Improvements Project.**

Jill Cook of Morrison-Maierle presented for approval Task Order No. 12 covering the design and bidding for treatment train Nos. 3 and 4, Lockwood 2020 Water Treatment Plant improvements Project, described as follows:

Preliminary and Final Design Phase Services including survey, engineering, geotechnical investigations and permitting for the 2020 Water Treatment Plant improvements Project as described in the 2018 Water Master Plan Update. The project also includes addition of UV disinfection as described in the June 8, 2019 Long Term 2 Surface Water Treatment Rule Compliance memo.

At the present time, the District plans on funding the project with an SRF loan, TSEP grant, RRGL grant, and the Army Corps of Engineers grant. An environmental review will be conducted for the Army Corps under a separate task order, so that is excluded from this task order. Total cost for these services are estimated to be \$491,000.00.

Preliminary design will commence in July carrying through September. Final design completion is contemplated for May, 2020 in anticipation of going out for bid in June of 2020.

- II. Merrill Walker moved to approve Task Order No. 12 to the Water Master Agreement with Morrison-Maierle for design and bidding for the 2020 Water Treatment Plant Improvements Project in the amount of \$491,000. Nancy Belk seconded the motion. Motion carried.

Task Order No. 12 with Attachment A attached to minutes

- * **Approval of Amendment #1 to the Water Master Agreement with Morrison-**

Maierle, to add Exhibit 1.

Jill Cook advised that Task Order No. 12 is an order stemming off of the base agreement between the District and Morrison-Maierle dated October 8, 2014. Amendment No. 1 to the Owner-Engineer Agreement was omitted from the original agreement, set forth in Exhibit I, Allocation of Risks. Jill advised that unless a funding agency would not allow it, this exhibit is always included in their master agreement.

The modifications cover Limitations of Engineer's Liability; Conditions Beyond the Control of the Engineer; Statute of Limitations; and, Betterment. Jill explained each segment of the Amendment to the Board. Questions arose over the "Betterment" portion of the Amendment. Jill explained the concept of betterment is if you're going to pay what you would have paid had it all been included originally, that you don't penalize the engineer for leaving that out. This provision was included in Phase 1 sewer contract; Phase II it did not because of the RD funding. After much further discussion, the Amendment was approved.

- III. Stuart Deans moved to approve Amendment No. 1 to Owner-Engineer Agreement between Lockwood Water and Sewer District and Morrison-Maierle. Nancy Belk seconded the motion. Motion carried.

Amendment No. 1 attached to minutes

* **Discussion and Possible direction on the function and design of the Prairie Drive Bulk Water Station.**

Manager Ariztia started off with a discussion on how the District was going to take payments. He provided pictures to the Board of the Blue Creek Fill station, which he had visited earlier. Their method of payment is a prepaid water card that you can purchase with a debit or credit card, and it is done onsite. There is no cash involved, and the machine keeps track of your water purchases. Manager Ariztia will contact the Blue Creek manager when he returns for more details. The machine is built by Wash Card Systems, which is primarily car wash technology, but they have customized to accommodate a water station.

Jill advised she has been focusing on Flow Point as the supplier of the station. The Flow Point system uses a pin number, and each account or each person has a pin number, resulting in no cash transactions. The pin number system can either be pre-loaded or paid for by a monthly bill. It is not mandatory that you use accounts and a pin number. A credit card acceptor can be added to the system, so people would just use their credit card to purchase water.

Some of the decisions involved are who does the District want to serve, i.e., what size tanks, pickups with trailers, larger trucks, etc., how many fill points, which at this point are two. Flow rate requirements, 125 gallons per minute. Flow Point recommends a minimum flow rate of 265 gallons per minute, which will fill a larger truck in 15 minutes.

Manager Ariztia advised he would prefer having a fill station that does not have pumps in it to increase the flow or the pressure; that it would operate so that whatever the system pressure is and whatever the diameter of the pipe is, would determine what the flow is because he does not want to get into maintenance issues with pumps that increase the pressure.

One option that was felt to be necessary was radiant heaters under the concrete flooring on both sides for each fill to prevent ice buildup. Overhead and bottom fills were discussed and options will be looked at further. Most likely there would be a cellular connection for communication with the station unless there was access to a regular land line. There will have to be some form of communication to enable the credit card processing machine to work.

For power requirements, there is overhead power that can be utilized. Site lighting is a consideration. The size of the building needs to be decided upon, and the consensus is the building only has to accommodate the controls, some piping and valves, one fill point on each side and the internal components to include whatever type of boiler or pump system for the radiant floor heat. Manager Ariztia prefers a concrete block building, and the Board agreed. Graffiti sealant will be put on the building. More discussion will be held at next month's meeting.

OLD BUSINESS:

None.

FINANCIAL REPORTS

Current trial balance from Yellowstone County not received.

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

APPROVAL OF BILLS DUE FOR SIGNATURE:

IV. Merrill Walker moved to approve payment of the bills submitted on the Check/Claim Detail List. Nancy Belk seconded the motion.

Motion carried.

OTHER BUSINESS:

* **Johnson Lane Highway 87 waterline update**

Manager Ariztia reported that the plans have been completed. An advertisement for bids was submitted to run the next three weeks in the *Yellowstone County News*. After the three weeks, there will be a bid opening August 1st. As it is structured now, schedule 1 extends all the way to Highway 87, and has the extension down Prairie which will feed the bulk water station. Schedule 2 is Highway 87 East. The total footage is 4300 feet.

MANAGER REPORTS:

The water pumping record is as follows:

June, 2018	25,780,700
June, 2019	31,018,700

Wastewater record:

May, 2018	5,342,964
May, 2019	2,538,712
May, 2019 Exxon Wastewater	61,002,000

With regard to the Army Corps of Engineers grant, a fully executed agreement was received in the mail this week, and the funds in the amount of \$212,000 have been allocated.

There are two high service pumps that pump water out to the system, one of them had a failed motor. The motor was pulled and inspected, and it was rebuilt in less than two weeks. It was installed and both pumps are now running. This could have been a very serious situation, therefore, Manager Ariztia ordered a new motor to keep at the plant as a backup.

There was another meeting of the TEDD consisting of the City Manager, Manager Ariztia, Woody Woods, chairman for the TEDD, Big Sky Economic Development, along with some property owners in that area just to get a feel for what's going on and whether they would be open to some different options as far as how they felt on annexation and other options available. Presently it is stagnant until the City and County resolve who has jurisdiction over the TEDD.

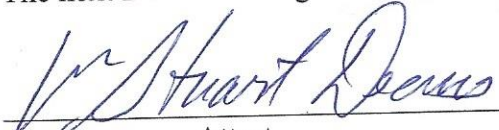
There has been some settling of the streets due to excessive wet weather and irrigation ditches being back on in Phase II. Milling and patching was done on Becraft to repair a large dip in the street that had formed.

ADJOURNMENT:

- V. Nancy Belk moved to adjourn the meeting. Merrill Walker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:45 p.m.

The next Board meeting will be held on August 14, 2019.


Attest


Attest