

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

August 14, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on August 14, 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, P.E., of Morrison-Maierle, Inc.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the July 10, 2019 Board meeting were presented for approval. One correction was noted on Page 4, third paragraph, after the word "valves", omit "the two fill stations", and change to "**one fill point on each side**".

- I. Merrill Walker moved to approve the minutes of the July 10, 2019 Board meeting as corrected. Stuart Deans seconded the motion. Motion carried.

A brief discussion was held regarding the basic design of the new bulk station, including radiant floor (slab) heating, size and structure of the building, and method of payment. President Peters inquired as to how important the flow rate is. Manager Ariztia reiterated his desire that the flow rate be determined by the diameter of the pipe and the system pressure. He does not want to deal with pumps to increase the flow or the pressure. Assistant Manager Reed advised they have a valve that regulates the flow rate at 125 gallons a minute.

NEW BUSINESS:

- * **Award of construction contract for the Johnson Lane Water Main Extension Project to KLE Construction**

At bid opening on August 1, 2019, KLE Construction submitted the low bid for the construction contract in the amount of \$658,495.00, and presented the required qualifications.

There was one lower bid. However, after review of the documentation, it was discovered a piece of paperwork was missing from their bid, and there were other discrepancies noted, resulting in that bid being rejected.

The written Notice of Award and the contract documents for signature will be delivered to KLE. The bid covers Schedule 1, the Johnson Lane portion and Schedule 2, the Highway 87 portion. Jill Cook advised she had contacted all the KLE references and received positive reviews.

- II. Nancy Belk moved to award the contract for the Johnson Lane Water Main Extension Project to KLE Construction in the bid amount of \$658,495.00, covering both Schedule 1 and 2. Stuart Deans seconded the motion. Motion carried.

Copy of MMI bid review letter attached to minutes

- * **Approval of Task Order #13 to the Water Master Agreement with Morrison Maierle, to perform design and bidding phase services for the Johnson Lane Water Main Extension Project**

Morrison-Maierle Task Order 13 was presented for approval covering the 2019 Johnson Lane - Highway 87 East waterline extension. Engineer's duties are to provide construction phase services for the waterline extension. Compensation covers a 70 calendar day construction period to be completed in December, 2019, and post construction covering two years after substantial completion to December, 2021. Engineer's compensation shall be at an hourly rate not to exceed \$105,900.00.

- III. Nancy Belk moved to approve Morrison-Maierle Task Order No. 13 covering the 2019 Johnson Lane - Highway 87 East waterline extension, at a project total not to exceed \$105,900.00. Merrill Walker seconded the motion. Motion carried.

Copy of Task Order No. 13 attached to minutes

- * **Ordinance #2019-1 granting the petition of Superior Builders LLP (July 1, 2019) to include lands outside the existing Water District Boundary into the Water District Boundary and into Water District #1. The property description is a 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 D06545)**

- IV. Nancy Belk moved to adopt Ordinance No. 2019-1 granting the Phase 2 petition of Superior Builders to include lands outside the existing Water District Boundary into the Water District Boundary and Water District No. 1.

Merrill Walker seconded the motion. Motion carried.

Ordinance 2019-1 was read into the record by Carlotta Hecker as follows:

CERTIFICATE AS TO ORDINANCE AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District") hereby certify that the attached Ordinance is a true copy of an Ordinance entitled: "AN ORDINANCE OF THE LOCKWOOD AREA/YELLOWSTONE COUNTY WATER AND SEWER DISTRICT, MONTANA, GRANTING THE PETITION OF SUPERIOR BUILDERS LLP, TO INCLUDE LANDS INTO THE WATER DISTRICT BOUNDARY AND INTO WATER DISTRICT #1 (the Ordinance), on file in the original records of the District in my legal custody; that the Ordinance was duly adopted by the Board of Directors of the District at a regular meeting on August 14, 2019, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Ordinance at said meeting, the following Directors voted in favor thereof: Carl Peters, Merrill Walker, Carlotta Hecker, Nancy Belk and Stu Deans; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand and seal officially this 14th day of August, 2019.

Secretary/Treasurer LWSD

Manager Ariztia confirmed to President Peters that the Ordinance covers 16 residential lots. The subdivision is going to put in 15 residential lots, but there is going to be a 16th lot which is the remainder of the property after the subdivision, which is why "not to include the remaining larger portion . . ." was set forth in the Ordinance.

Copy of Ordinance attached to minutes

*** Discussion and possible motion regarding annual wage increases for fiscal year 2020**

After discussion and comparison of wages at various entities in Montana, the Board agreed that a 3% raise in wages for all employees was appropriate.

- V. Nancy Belk moved to approve a 3% employee wage increase for fiscal year 2020. Carlotta Hecker seconded the motion. Motion carried.

Upon further discussion, the Board agreed that Manager Ariztia should also receive a 3% raise in salary.

- VI. Stuart Deans moved to approve a 3% increase in Manager Ariztia's salary. Merrill Walker seconded the motion. Motion carried.

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 and July 2019; Trial Balance with Revenue and Expenditures for the Accounting Period July, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, July, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period July, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- VII. 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:

*** 2020 Water Treatment Plant Upgrade Project design update**

Jill Cook advised they are starting on the Basis of Design report. There will be a series of tech memos which will be delivered to Manager Ariztia for his review and discussion probably within the next couple weeks. They are anticipating having the entire Basis of Design report completed by October for review by management and staff, after which the details will be finalized.

MANAGER REPORTS:

The water pumping record is as follows:

July, 2018	50,730,700
July, 2019	42,558,700

Wastewater record:

June, 2018		5,512,012
June, 2019		4,404,224
June, 2019	Exxon Wastewater	58,577,000

As far as the TEDD, the District is still dealing with the City. Manager Ariztia will keep the Board apprised of any new developments.

Manager Ariztia advised he is exploring alternatives for obtaining water rights. He has been working with Matt Williams, the water rights attorney, and Jill Cook and her office, in an attempt to find a solution.

Manager Ariztia will not be available the next Board meeting date, September 11. The Board agreed to an earlier meeting date of September 4th.

August 22nd, the Optimist Club will be holding a dedication for the bench they did based on ten items that were accomplished during a specific time frame. One of them is the Phase II sewer project, so Manager Ariztia was asked to be there to explain the Phase II project, what it accomplished, etc. It will be held at the Lions Lair at Lockwood school at 6 p.m.

ADJOURNMENT:

VIII. Carlotta Hecker 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 8:20 p.m.

The next Board meeting will be held on September 4, 2019.



Attest



Attest