

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

**May 13, 2020**

**NOTE: Due to Covid-19 and the Governor's Executive Order on Social Distancing, the public may attend the meeting by phone conference - + 1 (669) 224-3412 (Access Code 409-641-405) or by GoToMeeting at <https://global.gotomeeting.com/join/409641405>**

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on May 13, 2020. President Peters called the meeting to order at 7:15 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, Merrill Walker, Carlotta Hecker, and Stuart Deans. Board member Nancy Belk was absent. Also present was Manager Mike Ariztia and Assistant Manager Tony Reed. Attending via telephone was Jill Cook of Morrison-Maierle.

Attending, on behalf of Wipfli, the LWSD accounting firm, was Matthew Hjelm, Senior Auditor, who presented the District's yearly audit report.

**Attendance and Voting Record attached to minutes**

**PUBLIC COMMENT:**

None.

**APPROVAL OF MINUTES:**

The minutes of the April 8, 2020, Board meeting were presented for approval. The minutes were approved as written.

- I. Stuart Deans moved to approve the minutes of the April 8, 2020 Board meeting as written. Merrill Walker seconded the motion. Motion carried.

**NEW BUSINESS:**

**\* Review and approval of the District 2018 Audit (Matt Hjelm with Wipfli)**

Wipfli's audit was based on June 30, 2019 District-wide figures, combining sewer and water. The audit opinion was unmodified and designated as "clean". There were no reportable

issues.

- II. Carlotta Hecker moved to accept the June 30, 2019 District Financial Audit prepared by independent auditor Wipfli. Stuart Deans seconded the motion. Motion carried.

**Copy of Auditor's 2019 report available for viewing at District office**

- \* **Approval of Petition for Inclusion into Water District #1 and Sewer Service District #1 from David and Elaine Stirm at 2332 U.S. Highway 87 E.**

David and Elaine Stirm of 2332 U.S. Highway 87E, filed a Petition for inclusion in Water District #1 and Sewer Service District #1, covering their property at Township 1 North, Range 26 East, Yurian Subdivision, First Filing, Lot 1A (less 14 acre highway parcel). Tax Code C06089.

The Stirms are within the District boundary, but they are not within Water and Sewer District 1. An official ordinance covering this inclusion will be prepared for approval by the Board.

- III. Stuart Deans moved to approve the Petition of David and Elaine Stirm for inclusion in Water District No. 1 and Sewer Service District No. 1, at 2332 U.S. Highway 87E. Merrill Walker seconded the motion. Motion carried.

**Copy of Stirm Petition for Inclusion attached to minutes**

- \* **Resolution No. 158**

Resolution 158 authorizes submission of the TSEP Application for funding of the wastewater system improvements identified in the 2020 Water Master Plan/Preliminary Engineering Report.

The Resolution was read into the record by Carlotta Hecker as follows:

**RESOLUTION**

WHEREAS, the Lockwood Water and Sewer District is applying to the Montana Department of Commerce for financial assistance from the Treasure State Endowment Program (TSEP) to make improvements to the District's wastewater infrastructure as recommended in the 2020 Wastewater Preliminary Engineering Report Update.

WHEREAS, the Lockwood Water and Sewer District has the legal jurisdiction and authority to construct, finance, operate, and maintain the District's wastewater infrastructure.

That the Lockwood Water and Sewer District agrees to comply with all State laws and

regulations and the requirements described in the TSEP Application Guidelines and those that will be described in the TSEP Project Administration Manual.

That the Lockwood Water and Sewer District commits to provide the amount of matching funds as proposed in the TSEP application; and

That Carl Peters, Board President, is authorized to submit this application to the Montana Department of Commerce, on behalf of Lockwood Water and Sewer District to act on its behalf and to provide such additional information as may be required.

Passes and approved on this date of May 13, 2020.

Signed by Carl Peters, President and Carlotta Hecker, Secretary

- IV. Carlotta Hecker moved to adopt Resolution No. 158 authorizing Submission of the TSEP Application for funding of the waste-water system improvements identified in the 2020 Water Master Plan/ Preliminary Engineering Report. Stuart Deans seconded the motion. Motion carried.

**Copy of Resolution No. 158 attached to minutes**

- \* **Review, discussion and possible approval of agreement with Raftelis to conduct an update to the 2017 water and wastewater financial plan, system development fee (SDF), cost of service, and rate design study.**

By proposal letter dated May 5, 2020, from Andrew Rheem of Raftelis, Mr. Rheem outlined a plan to evaluate key issues to be considered in updating the 2017 water and sewer utility cost of service and rate study. Raftelis proposes to complete the base scope of work over an approximate seven-month schedule of October, 2020 through May, 2021.

The schedule encompasses the following: Project initiation and management; revenue requirements and financial plan; system development fees; cost of service and rate design analysis; system development fees advisory committee; and findings and recommendations.

An April, 2021 public hearing is anticipated to provide notice of the rate modification. Raftelis proposes to complete the scope of work outlined in their proposal on a time and materials basis with a not-to-exceed cost of \$79,500, including related expenses.

- V. Merrill Walker moved to accept Raftelis' proposal to update the 2017 Water and Sewer Utility Cost of Service and Rate Study at a not-to-exceed cost of \$79,500. Carlotta Hecker seconded the motion. Motion carried.

**Copy of Raftelis Proposal Letter of May 5, 2020 attached to minutes**



**OLD BUSINESS:**

None.

**FINANCIAL REPORTS**

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period April, 2020; Trial Balance with Revenue and Expenditures for the Accounting Period April, 2020; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, April, 2020, Statement of Expenditures - Budget vs. Actual Report for the Accounting Period, April, 2020.

**APPROVAL OF BILLS DUE FOR SIGNATURE:**

- VI. 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:**

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

Jill Cook reported they had submitted the design plans and specifications to DEQ. DEQ advised they anticipate being done with their review within the next couple of weeks. A virtual design meeting was held between Mike Ariztia, Tony Reed, Jill Cook and Jeff Ashley, who is Morrison-Maierle's head water treatment designer from Helena, and other engineers. The plans and specs have gone through a rigorous internal quality assurance review.

The goal is to advertise the upgrade project for bids in June with a preliminary bid opening the first week in July. The Board may be able to award the contract at the July Board meeting depending on receiving reasonable bids and there not being any other concerns with the bidding process. The tentative start date is September 8<sup>th</sup>, 2020.

Jill reported Morrison-Maierle is working on finishing the wastewater PER for Phase 3, and will go through the internal Q/A process and then provide a copy for review. Manager Ariztia advised he received an email stating the Department of Commerce has extended the application deadline to June 12, 2020, and TSEP application public meeting documentation to be submitted any time up until August 3, 2020. There will be another public meeting as required. There is no further information on the easements.

**\* Prairie Drive Bulk Water Station Update**

Jill Cook advised the bulk water station design is finished. Final changes are being made and they are preparing to put the plans and specs out for bid. The project advertises on May 15, 2020 for three weeks. A virtual pre-bid meeting is going to be held on May 27 at 9:00 a.m. Contractors can join through video conference. The bid opening is scheduled for June 4, which is scheduled to be in person at the Morrison-Maierle office.

Construction time is estimated to be 45 days to reach substantial completion, and 60 calendar days to reach final completion.

**MANAGER REPORTS:**

Pumping Record - Water:

April, 2019	20,014,800
April, 2020	27,149,500

Wastewater record:

March, 2019	5,130,532
March, 2020	5,139,508

Exxon Wastewater:

March, 2019	53,906,864
March, 2020	54,353,420

A meeting was held at the District's office with three representatives from BGI on Friday, May 8, regarding their interest in connecting to the sewer system. Manager Ariztia advised the first thing that needs to be reviewed is the hydraulic system to verify how their wastewater would affect that portion of the line and the lift station. BGI would be responsible for the hydraulic study, and a rate analysis to calculate their fee. Jill Cook is putting together a proposal for the cost of the hydraulic analysis. Andrew Rheem of Raftelis will provide a cost with regard to the rate study portion.

An ad will be put out for a seasonal employee to help out during the summertime.

Polar Services wash station is rebuilding after their explosion, and are looking at different sites to rebuild in Lockwood. They ultimately decided to rebuild on their own property. They will be tying into a 2" and 3" service, one for fire and one for the water for the truck wash. They plan on using their own wastewater system.

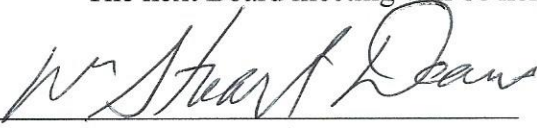
**ADJOURNMENT:**


VII. Merrill Walker moved to adjourn the meeting. Carlotta Hecker

seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:30 p.m.

The next Board meeting will be held on June 10, 2020.

  
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