

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

June 10, 2020

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on June 10, 2020. President Peters called the meeting to order at 7:05 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, Nancy Belk, Carlotta Hecker, 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

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the May 13, 2020, Board meeting were presented for approval. One correction was noted on Page 1, second paragraph. The date of the regular meeting is shown as February 12, 2020, the correct date is May 13, 2020.

- I. Merrill Walker moved to approve the minutes of the May 13, 2020 Board meeting with the correction as noted. Nancy Belk seconded the motion. Motion carried.

NEW BUSINESS:

*** Approval and award of the construction contract for the Prairie Drive Bulk Water Station Project.**

Two bids were received on June 4, 2020, KLE Construction in the amount of \$448,000 and Western Municipal Construction in the amount of \$465,000. As KLE submitted the lowest bid in the amount of \$448,000, it was Morrison-Maierle's recommendation that KLE be awarded the bid. The engineer's estimate was \$382,110.00.

- II. Stuart Deans moved to award the Bulk Water Station Project to KLE Construction in the amount of \$448,000. Carlotta Hecker seconded the motion. Motion carried.

Copy of MMI recommendation letter and Notice of Award attached to minutes

* **Resolution No. 159 - fiscal year 2021 Sewer Planning Budget**

RESOLUTION NO. 159

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 10th day of June, 2020, at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Sewer Planning budget for fiscal year 2021 be approved in the amount of \$52,600.00.

Signed on June 10, 2020 by Carl Peters, President, and Carlotta Hecker, Secretary.

III. Nancy Belk moved to adopt Resolution No. 159, approving the 2021 Sewer Planning Budget in the amount of \$52,600. Stuart Deans seconded the motion. Motion carried.

* **Resolution No. 160 - fiscal year 2021 Sewer Operations Expense Budget**

RESOLUTION NO. 160

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 10th day of June, 2020, at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2021 Sewer Operations Expense Budget and the fiscal Year 2021 Capitalization budget for fiscal year 2021 be approved as represented in the attachments to this Resolution entitled "PROPOSED 2021 LWSD SEWER OPERATIONS EXPENSE BUDGET" (page 1) with supporting exhibits entitled "2021 FORECASTED LWSD SEWER INCOME" (page 2), "PROPOSED 2021 LWSD CAPITALIZATION BUDGET" (page 3). The Sewer Operations Expense Budget for Fiscal Year 2021 therefore be approved in the amount of \$1,830,387.44 and the Fiscal Year 2021 LWSD Capitalization Budget be approved in the amount of \$550,851.33. Total: \$2,381,238.77.

Signed on June 10, 2020 by Carl Peters, President and Carlotta Hecker, Secretary.

- IV. Nancy Belk moved to adopt Resolution No.160, the 2021 Sewer Operations Expense Budget in the amount of \$1,830,387.44 and the Fiscal Year 2021 LWSD Capitalization Budget in the amount of \$550,851.33; Total: \$2,381,238.77. Merrill Walker seconded the motion. Motion carried.

Signed on June 10, 2020 by Carl Peters, President, and Carlotta Hecker, Secretary.

RESOLUTION NO. 161

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 10th day of June, 2020, at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2021 Water Operations Expense Budget and the fiscal Year 2021 Capitalization Budget for fiscal year 2021 be approved as represented in the attachments to this Resolution entitled "PROPOSED 2021 LWSD WATER OPERATIONS EXPENSE BUDGET" (page 1) with supporting exhibits entitled "2021 FORECASTED LWSD WATER INCOME" (page 2), "PROPOSED 2021 LWSD CAPITALIZATION BUDGET" (page 3). The Water Operations Expense Budget for Fiscal Year 2021 therefore be approved in the amount of \$1,507,800.00, and the Fiscal Year 2021 LWSD Capitalization Budget be approved in the amount of \$4,005,301.00. Total: \$5,513,101.00.

Signed on June 10, 2020 by Carl Peters, President, and Carlotta Hecker, Secretary.

- V. Nancy Belk moved to adopt Resolution No.161, the 2021 Water Operations Expense Budget in the amount of \$1,507,800.00, and the Fiscal Year 2021 LWSD Capitalization Budget in the amount of \$4,005,301.00; Total: \$5,513,101.00. Stuart Deans seconded the motion. Motion carried.

Signed on June 10, 2020 by Carl Peters, President, and Carlotta Hecker, Secretary.

* **Ordinance No. 2020-1 covering the petition of David Stirm and Elaine Stirm to include lands in Water District #1 and Sewer District #1, being Yurian Subd 1st Filing, S36, T1N, R26E, Lot 1A, Amend LT 1 (LESS .14 AC - HWY*), Yellowstone County, Montana, Tax Code C06089.**

Ordinance No. 2020-1 ratifying the petition of David and Elaine Stirm for inclusion of the above-described lands into Water District No. 1 and Sewer District No. 1, was presented to the

Board for approval along with a Certificate as to Ordinance and Adopting Vote. The Stirms' petition for inclusion was approved at the May 13, 2020 Board meeting.

- VI. Nancy Belk moved to adopt Ordinance No. 2020-1 ratifying the Petition of David and Elaine Stirm for inclusion into Water District No. 1 and Sewer District No. 1. Merrill Walker seconded the motion. Motion carried.

Copies of Resolution Nos. 159, 160, 161, and Ordinance No. 2020-1 attached to minutes

- * **Review and possible approval of Petition for Inclusion into Water District #1 and Sewer District #1 from Rodney and Barbara Morse at 2707 U.S. Highway 87 E.**

Rodney G. Morse and Barbara J. Morse of 2707 Hwy. 87 E, filed a petition for inclusion in Water District No. 1 and Sewer Service District No. 1, covering their property described as SE1/4 NW1/4, Section 31, T1N, R27E, PMM, Yellowstone County, Montana, Tax Code DO6617A.

- VII. Nancy Belk moved to approve the Petition of Rodney G. Morse and Barbara J. Morse for inclusion in Water District #1 and Sewer Service District #1, for property at 2707 Highway 87E. Merrill Walker seconded the motion. Motion carried.

Rodney and Barbara Morse Petition attached to minutes

- * **Set the date for a second public meeting for the Wastewater Preliminary Engineering Report (PER) Update for Phase 3 Sewer Project.**

Manager Ariztia reported there are two locations where the public meeting could be held; one at the Lockwood Fire Station, and the other at the school. However, at the school location it would entail a plan being made to conform to the guidance of the Yellowstone County Health Department and submitted for approval. The Fire Station is available the week of July 6th with the exception of Wednesday. After discussion, the Board decided to hold the meeting Thursday, July 9, 2020, at the Lockwood Fire Station.

- VIII. Stuart Deans moved to hold a combined public meeting and District monthly meeting on Thursday, July 9, 2020 at 7:00 p.m. at the Lockwood Fire Station regarding the PER update on the Phase 3 Sewer Project. Merrill Walker seconded the motion. Motion carried.

OLD BUSINESS:

None.

FINANCIAL REPORTS

The Yellowstone County Trial Balance summary as of April 30, 2020, shows a balance due LWSD of \$7,067.00.

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

APPROVAL OF BILLS DUE FOR SIGNATURE:

- IX. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Stuart Deans seconded the motion. Motion carried.

OTHER BUSINESS:

* **Water Treatment Plant expansion update**

Jill Cook reported that the plans are at DEQ for review. They are still waiting for DEQ's final comments. The bottom line is that it seems that DEQ has a backlog at this time. They are actually beyond their statutory 60-day review time by approximately two weeks.

Preliminarily, Morrison-Maierle is hoping to start advertising as early as next week. They are recommending that the District advertise for at least four weeks. Usual advertisements for bid are placed for three weeks; however, this expansion is considered a large and complex project. Contractors may have to ask for an extension in order to have sufficient time to put together a competing bid.

MANAGER REPORTS:

Pumping Record - Water:

May, 2019	22,637,500
May, 2020	31,817,700

Wastewater record:

April, 2019	3,259,784
April, 2020	4,504,456

Exxon Wastewater:
April, 2020

46,191,992

Manager Ariztia advised he will be mailing out a card to Lockwood residents with information on the public meeting.

With regard to the TEDD, the District is in ongoing negotiations with the City and nothing has been agreed to at this point.

The Board discussed the District water rights matter which is being pursued through various avenues. Manager Ariztia has been in frequent contact with LWSD's water rights attorney and his efforts are continuing.

BGI contacted Manager Ariztia regarding exploring the option of connecting into LWSD's system to discharge their industrial wastewater at a total of up to 250,000 gallons a day. There will have to be a hydraulic analysis of the system to see whether it could take on the additional wastewater that wasn't anticipated for the system, and any improvements that may need to be made to the existing system. They were advised they would be responsible for payment of that study.

The second important need would be to have LWSD's rate consultant develop a rate and system development fee based on what the impact to the system may be, and they would also be responsible for payment of that study.

Proposals from Raftelis for the rate study, and Morrison-Maierle for the hydraulic analysis, were received and will be forwarded to BGI for consideration this week.

ADJOURNMENT:

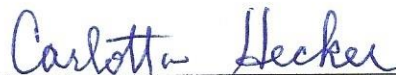
X. Nancy Belk moved to adjourn the meeting. Merrill Walker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 9:00 p.m.

The combined public and monthly LWSD Board meeting will be held on Thursday, July 9, 2020 at the Lockwood Fire Station at 7:00 p.m.



Attest



Attest