

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

December 15, 2020

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on December 15, 2020. President Peters called the meeting to order at 7:00 p.m. in the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana 59101.

Present at the meeting were Board members' Carl Peters, Carlotta Hecker and Stuart Deans. Also present was Manager Mike Ariztia, and Assistant Manager Tony Reed. Board member Nancy Belk participated via telephone along with Jill Cook of Morrison-Maierle.. Board member Merrill Walker was absent.

Attendance and voting record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the November 10, 2020 Board meeting were presented for approval. Corrections were noted at Page 3, paragraph 5, the figure of \$5.750 million appeared twice with a comma instead of period. They should read 5.750. Page 5, paragraph 1, 12 contract dates should be 12 contract **days**.

- I. Stuart Deans moved to approve the minutes of the November 10, 2020 Board meeting with the above-noted corrections. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

* **Approval of KLE Construction Pay Application #4 for the Johnson Lane Bulk Water Station Project**

KLE Construction submitted pay application No. 4 for work on the Johnson Lane Bulk Water Station project covering 10/31/2020 to 11/30/2020, in the amount of \$40,650.50

- II. Carlotta Hecker moved to approve payment application No. 4 to KLE Construction in the amount of \$40,650.50. Stuart Deans seconded the motion. Motion carried.

Copy of KLE Pay Application No. 4 attached to minutes

* **Ordinance No. 2020-3 covering the Petition for Inclusion into Water District #1 from James Todd Hertz for Certificate of Survey C/S 632, Tracts 1-9**

Ordinance 2020-3 was presented to the Board at the November, 2020 meeting for the formal approval to incorporate this property into Water District No. 1. The Board and Manager Ariztia agreed that it was best to contact the owner of the property to verify that he still wished to proceed with the Petition for Inclusion. Manager Ariztia reported that he did wish to continue and the Ordinance was ready for Board adoption.

- III. Carlotta Hecker moved to adopt Ordinance 2020-3 covering C/S 632, Tracts 1-9. Stuart Deans seconded the motion. Motion carried.

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 INDIVIDUAL, JAMES TODD HERTZ, (SEPTEMBER 3, 2020) 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 November 10, 2020, 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 William Deans; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand and seal officially this 10th day of November, 2020.

S/S Carlotta Hecker
Secretary/Treasurer LWSD

(Notary signature for Carlotta Hecker)

ORDINANCE NO. 2020-3

AN ORDINANCE OF THE LOCKWOOD AREA/YELLOWSTONE COUNTY WATER AND SEWER DISTRICT, MONTANA, GRANTING THE PETITION OF INDIVIDUAL, JAMES TODD HERTZ, SEPTEMBER 3, 2020, TO INCLUDE LANDS INTO THE WATER DISTRICT BOUNDARY AND INTO WATER DISTRICT #1.

BE IT ordained by the Board of Directors (the "Board") of the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District") as follows:

Section 1. Recitals and Findings.

1.01. Pursuant to Resolution No. 17, approved by the District on November 27, 2000, the District created Water District #1 (Water District #1) within the boundaries of the District and determined that such property was benefited by the water system (the "System") of the District.

1.02. The District has received a petition from individual, James Todd Hertz, requesting that certain lands owned by individual, James Todd Hertz, which are located outside the Water and Sewer District Boundary and contiguous to that boundary, described as follows, be included into the Water District Boundary and the boundary of Water District #1.

S17, T01 N. R27 E, Yellowstone County, Montana, (COS-632) Parcel 1-9, 2ND AMND), Tax Code 06617A.

1.03. The District has determined that the petitions meet the requirements of Title 7, Chapter 7, Parts 22 and 23, Montana Code Annotated.

1.04. Section 7-13-2341(5), Montana Code Annotated, provides that if a district has a water facility or sewer facility with a capacity greater than required to meet the needs of the properties then located within the District, it may by ordinance, upon petition of contiguous property owners and with the written consent of all property owners to whom the service is to be extended, expand the district to include land to the extent of excess capacity without an election.

Section 2. Adequacy of System.

2.01. Based on the projected need of Water District #1 as it currently exists and the anticipated needs of James Todd Hertz when said lands are fully developed, the System which currently serves Water District #1 has adequate capacity to meet the needs of Water District #1 and said lands.

2.02. The property is currently located outside of the Lockwood Sewer District boundary. If at any point in the future the District were to modify the Sewer Service Agreement or Sewer Service Boundary with the City of Billings to include the above mentioned property, it would automatically become part of the joint Water and Sewer Service Boundary and then be subject to any requirements thereof.

Section 3. Addition of the Property.

The boundaries of Water District #1 and Sewer Service District #1 are hereby modified to include the property to be known as those specifically described in Section 1.02 above.

Section 4. Effect of the Addition of Property into Water District #1 and Sewer Service District #1.

Upon the adoption of the Ordinance, the property described in Section 1.02 above shall be a part of the Water District Boundary and Water District #1 and shall be included into the Water District Boundary and Water District #1 and shall be subject to all the rules, regulations ordinances, fees, charges, taxes levied or imposed against other property of Water District #1 and Sewer Service District #1, and possess the rights, privileges and powers set forth in Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated.

Section 5. Instructions to Secretary, Filing.

The President and Secretary of the Board are hereby directed to provide the County Clerk and Recorder with a copy of the Ordinance for filing.

Passed and approved this 14th day of October, 2020.

S/S Carl Peters
President, Board of Directors
Lockwood Water and Sewer District

(Notary for signature of Carl Peters.)

OLD BUSINESS:

None.

FINANCIAL REPORTS

The Yellowstone County Trial Balance was not available.

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

- 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:

* **Treatment Plant Upgrade Expansion Update**

Jill Cook reported they are in the process of getting contracts signed with RSCI. They are waiting on RSCI's current insurance certificate, which will be given to the District's attorney and Manager Ariztia for review. Materials are being ordered and everything is on track. Construction will begin as soon as weather allows.

* **Bulk Water Station Project Update**

A walk-through was done on Friday, December 11. Everything on the punch list has been completed. The station is close to being ready to go online. Manager Ariztia expressed a concern in that when a vehicle would fill, there would only be a foot to 18 inches of space on the passenger's side, and that could cause safety issues. Based on that, he decided to put in an additional two to three feet of fill and road material to create a shoulder in that area providing additional space. The goal is to open on January 4, 2021.

MANAGER REPORTS:

Pumping Record - Water:

November, 2019	23,833,700
November, 2020	20,902,700

Wastewater record:

October, 2019	4,496,976
October, 2020	4,175,336

Exxon Wastewater:

October, 2019	69,052,368
October, 2020	68,145,044

Manager Ariztia has been researching the process necessary to expand the water and sewer boundary for the TEDD. It appears from preliminary research that it won't be able to go to a vote until May because according to the Montana Code, the elections will have to be held at the same time as the school district. The time line will have to consider the petition from the property owners, the public hearings, and then the voting.

Regarding the TEDD, LWSD has been approached by a potential developer looking at a piece of property to develop in the TEDD. Not using specific numbers, Manager Ariztia advised

that based on the TEDD Infrastructure Master Plan study, LWSD could accommodate approximately 250,000 gallons per for day the TEDD at build-out. Through the master plan and some hydraulic analysis that Jill Cook did, even with the 250,000 gallons, there would be portions of the existing main trunk system that would be at capacity at build-out. The developer is looking at 250,000+ gallons a day just for himself. After discussion, the Board's general consensus was that they did not wish to participate in the endeavor, citing LWSD's system was not designed to accommodate that type of additional usage.

Manager Ariztia advised that in LWSD's sewer funding requests that were submitted to RRGL and TSEP, LWSD ended up on both lists in the top ten.

ADJOURNMENT:

- V. 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 7:50 p.m.

The next Board meeting will be held on January 13, 2021.

Carlotta Hecker

Attest



Attest