

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

February 10, 2021

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on February 10, 2021. 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, Nancy Belk, and Stuart Deans. Board member Merrill Walker was absent. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook of Morrison-Maierle, and Evelyn Pyburn, *Yellowstone County News*.

Attendance and voting record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the January 13, 2021 Board meeting were presented for approval.

One correction was noted, on Page 3, Paragraph 6, RTR should be **RPR**.

- I. Nancy Belk moved to approve the minutes of the January 13, 2021 Board meeting with the change as set forth above. Stuart Deans seconded the motion. Motion carried.

NEW BUSINESS:

*** Approval of 2021 health insurance renewal**

Manager Ariztia presented the Blue Cross/Blue Shield insurance proposal for 2021. There is a new plan through the Billings Clinic which would lower the premium and deductibles for employees choosing to use the Billings Clinic for their healthcare. The new plan would restrict employees' healthcare choice to the Billings Clinic, but would allow them the option to choose the current plan or the alternate plan through Billings Clinic.

Other changes to the plan are set forth on the attached information page of changes. After discussion of the pros and cons of the changes in the policy, the Board decided to adopt the new Billings Clinic plan and allowing the employees to choose which healthcare provider they want

to use.

- II. Stuart Deans moved to accept insurance coverage through the new Billings Clinic plan that restricts coverage to services provided by the Billings Clinic. The employees will be free to choose between the existing plan or the new Billings Clinic plan. Carlotta Hecker seconded the motion. Motion carried.

*** Discussion on expanding payment options to include ACH payments for customer water and sewer bills**

Manager Ariztia reported that currently the District takes cash payments, check payments and credit card payments. There have been quite a few people inquiring about the ACH program wherein funds could be deducted from their banking accounts to pay their water and sewer bills. The ACH program is compatible with the District's billing software system and the District's bank is ready to accommodate the District's needs. The District will pull payments this way once a month.

- III. Nancy Belk moved to expand payment options for water and sewer bills to include the ACH option. Carlotta Hecker seconded the motion. Motion carried.

*** Discussion and possible direction to pursue Rural Development (RD) funding as part of the Phase 3 Sewer Project Funding Package**

Jill Cook reported she had talked to Steve Troendle with Rural Development regarding the Phase 3 sewer project. Ms. Cook did not believe the District could qualify for a grant, however, there is an intermediate category in RD that the District does qualify for. Under the current environment, the RD intermediate loan interest rate is 1.75%.; the State Revolving Fund interest rate is 2.5%. Mr. Troendle advised due to the District's position at the top of the intermediate category, the District would not get the grant, but could apply for the loan.

A Phase 3 Sewer Financing Comparison sheet was given to the Board, which assumes the District receives the TSEP grant and the RRGL grant and that the balance was financed with a 30-year loan from SRF at 2.5%.

Utilizing the same numbers, and assuming the District received the TSEP and RRGL grants, but with a RD loan financed at 1.75% for 40 years, there would be a drop in the special assessment in both 3A and 3B, and a somewhat smaller average monthly cost over the life of the loan for 3A and 3B.

If the District is interested in pursuing the RD loan, Mr. Troendle advised at the present time they are still working off the median household income from the 2010 census. His encouragement was if the District is interested, to apply sooner rather than later while the District still falls into that top of the intermediate category before the new census.

The Board decided that an application should be made to apply for the RD loan at 1.75%. The project will be discussed at the March Board meeting. Lori Benner of Nittany Grantworks will be contacted to prepare the application to RD. Morrison-Maierle will prepare a cost estimate to provide additional information for the loan documents, the EA report, and cost estimates on combining phases 3A and 3B.

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 January, 2021; Trial Balance with Revenue and Expenditures for the Accounting Period January, 2021; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, January, 2021, Statement of Expenditures - Budget vs. Actual Report for the Accounting Period, January, 2021.

- IV. 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 agreements are signed. There was an informal meet-and-greet on Zoom to introduce everybody. The District has signed a Notice to Proceed along with a simultaneous suspend work order, which gives RSCI the green light to start turning in all of their submittals, and get equipment and materials ordered. They are planning to start the last week in March or the first week in April.

MANAGER REPORTS:

Pumping Record - Water:

January, 2020	25,420,900
January, 2021	19,585,100

Wastewater record:

December, 2019	4,288,284
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December, 2020

4,650,316

Exxon Wastewater:

December, 2019

62,891,840

December, 2020

68,221,340

The snow plow was purchased. There are two trucks outfitted to run the plow.

The bulk water station is working good. There have been a lot of compliments, and people are happy to have another water station at the new location.

The TEDD is moving forward. Property owners within the TEDD are going to be receiving a petition for inclusion. Once the petitions are returned, the Board will vote to bring those properties within the TEDD boundary into the District.

The rate study is moving forward also.

A House Bill, HB 255, specific to water and sewer districts was introduced. There were some changes that could be significant or could impact the District. Among those were procedures that the District already follows. One new one states: "If the District is found in violation of any provision of this section, the District is responsible for all applicable attorney fees and costs that may arise from the action brought against either party."

Manager Ariztia was going to testify in opposition to the bill, but did not realize he had to register to testify prior to noon the day before the hearing, which he did not do. A representative from Montana Rural Water Systems testified in opposition to the bill. The reasons for introduction of the bill all appeared to revolve around one water and sewer district.

One other part of the bill was with regard to payments of assessments under protest. Once assessments are established, if somebody pays in protest that money stays with the county. At present it says: "Any action instituted to recover assessments paid under protest must commence within 60 days." The recommendation was to change that to 120 days, which could be detrimental to those having bond payments. There has been no executive action on the bill as of yet.

ADJOURNMENT:

V. Nancy Belk 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 8:40 p.m.

The next Board meeting will be held on March 10, 2021.

W. Stuart Deans

Attest

Nancy Bell

Attest