

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

February 12, 2020

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on February 12, 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, Nancy Belk and Stuart Deans. Also present was Manager Mike Ariztia, Jill Cook, of Morrison-Maierle, and Evelyn Pyburn of *Yellowstone County News*. Assistant Manager Tony Reed was on vacation and not present.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the January 8, 2020 Board meeting were presented for approval. One correction was noted on the first line of Page 4, the word "acclimation" should be corrected to "acclamation".

- I. Stuart Deans moved to approve the minutes of the January 8, 2020 Board meeting with the correction as noted above. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

*** Approval of the 2020 health insurance renewal**

Manager Ariztia presented the Blue Cross/Blue Shield insurance proposal for 2020. The current plan increases the monthly premium from \$7,231.75 to \$8,148.13, an increase of 12.7%. 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 it still offered the best coverage and decided to renew the existing policy.

- II. Carlotta Hecker moved to renew the existing Blue Cross/Blue Shield plan for 2020. Merrill Walker seconded the motion. Motion carried.

Copy of changes to policy attached to minutes

*** Approval to attend the Montana Rural Water Conference**

The Montana Rural Water Conference will be held on March 25, 26 and 27 in Great Falls. Manager Ariztia will take one staff member and if another staff member needs continuing education, they can attend. Any Board member that wishes to do so, may attend also. Pre-registration deadline is March 6, 2020. Board members wanting to attend should let Manager Ariztia know by March 1, 2020.

Copy of Registration Form attached to minutes

- III. Carlotta Hecker moved to approve two staff members attending the Montana Rural Water Conference in Great Falls, Montana on March 25, 26 and 27, 2020. Stuart Deans seconded the motion. Motion carried.

*** Approval of agreement with Nittany Grantworks to prepare grant application for the 2023 Biennium Treasure State Endowment Program (TSEP) and Renewal Resource and Loan (RRGL) Program.**

A proposal was received from Nittany Grantworks to prepare grant applications for the 2023 Biennium TSEP and RRGL Programs. Nittany Grantworks proposes to complete the scope of work in no more than 110 hours. The hourly rate for services is \$72. The fee for professional services will not exceed \$7,920. Also, RRGL requires an application fee in the amount of \$250 which needs to be forwarded with the application materials.

- IV. Merrill Walker moved to approve the application of Nittany Grantworks to prepare the 2023 Biennium grant applications for TSEP and RRGL Programs in an amount not to exceed \$7,920. Stuart Deans seconded the motion. Motion carried.

Copy of Nittany Grantworks proposal attached to minutes

*** Approval of proposal from Dan Semmens from Dorsey to serve as the District's bond counsel for the 2020 Water Treatment Plant Improvement Project**

By letter dated January 27, 2020, Dan Semmens of Dorsey Law Firm presented a proposal to act as bond counsel and to render an opinion or opinions with respect to the authorization and issuance by the District of its approximately \$4,500,000 Water System Revenue Bonds, DNRC Drinking Water Revolving Fund Loan Program.

The following tasks will be performed:

1. Prepare the bond resolution and the bonds and review proceedings of the

District relating to other outstanding bonds and notes charged for the use and availability of the system, if any;

2. Coordinate with the District Secretary, or other designated officer, the adoption of the resolution and other actions necessary to be taken by the governing body of the District;
3. Assist the District with resolutions and ordinances establishing rates and charges;
4. Advise the District of the statutory requirements for the issuance of the bonds, and the program rules for the purchase of the bonds by the program;
5. Prepare closing papers for the District and supervise closing on the bonds; and
6. Deliver the opinion discussed above to the District and the DNRC.

Based on the estimated total principal amount of bonds of approximately \$4,500,000, their fee estimate is \$20,000 to \$25,000 plus out-of-pocket disbursements.

- V. Nancy Belk moved to approve Dan Semmens of Dorsey Law Firm, as bond counsel for the purpose of authorizing and issuing water system \$4,500,000 revenue bonds for the 2020 Water Improvement Project. Carlotta Hecker seconded the motion. Motion carried.

Copy of Semmens' letter attached to minutes

OLD BUSINESS:

None

FINANCIAL REPORTS

No financial information was available from Yellowstone County.

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

APPROVAL OF BILLS DUE FOR SIGNATURE:

VI. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Merrill Walker seconded the motion. Motion carried.

OTHER BUSINESS:

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

Jill Cook presented a slide show to the Board of the 2020 Water Treatment Plant upgrades and upgraded project design. She advised that they are at 75% design, the architects are at 35% design. MMI is working at having 75% drawings and specs to Manager Ariztia next week for an initial review. A Thursday morning design meeting is planned. Construction is scheduled for June or July this summer. It is estimated that construction will take six to eight months.

MANAGER REPORTS:

Pumping Record - Water:

January, 2019	18,474,700
January, 2020	25,420,900

Wastewater record:

December, 2019	5,090,140
January, 2020	4,288,284

Exxon Wastewater - January, 2020	62,892,000
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Tuesday, the 18th, Manager Ariztia will be giving another presentation to the Billings City Council on the District and the TEDD. It will be a joint presentation between the District, Big Sky Economic Development and Woody Woods, as the chairperson for the TEDD Advisory Board, to explore the possibility of expanding the District boundary without any restrictions as far as making property owners sign waivers of right to protest future annexation. It is a work session so there will be no vote. Manager Ariztia will update the Board at the next meeting.

There was a phone conference today with Jill Cook, Manager Ariztia, all of the funding agencies, DEQ, SRF, Dorsey, regarding the Water Treatment Plant upgrades. It looks like everything is in order as far as funding and there are minimal documents to be provided.

Manager Ariztia has not been able to find the Floodplain Permit in the original records evidencing there was a permit issued during the construction of the original building, and the

County is unable to find it either. Because of that issue, the District is having to prove to the County that the existing building was dry flood proofed.

Jill also brought up the fact that she discussed with Manager Ariztia a small amendment to cover the cost of the research and time involved in proving to the City that the building was dry flood proofed. There will also be extra work with Geotech regarding the test pits and having Geotech come out, observe the test pits and make further recommendations. She will present an amendment at the next meeting.

ADJOURNMENT:

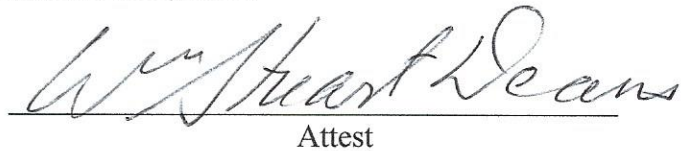
VII. Nancy Belk moved to adjourn the meeting. Carlotta Hecker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:45 p.m.

The next Board meeting will be held on March 11, 2020.



Attest



Attest