

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

December 8, 2021

The regular meeting of the Lockwood Water and Sewer Board of Directors was held on December 8, 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, Merrill Walker, Stuart Deans, and Scot Bowen. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, and Jill Cook of Morrison-Maierle, Inc.

**Attendance and Voting Record attached to minutes**

**PUBLIC COMMENT**

None.

**APPROVAL OF MINUTES**

The November 10, 2021 minutes were presented for approval. One correction was noted. On Page 3, first paragraph under "Phase 3 Sewer Update", the correct spelling of Dan Simmons' name is "Semmens". His name also appears twice as Simmons.

- I. Carlotta Hecker moved to approve the minutes of the November 10, 2021, Board meeting with the correction as noted above. Scot Bowen seconded the motion. Motion carried.

**NEW BUSINESS**

- Approval of Pay Application No. 9 to Record Steel and Construction, Inc. (RCSI) for the 2020 Water Treatment Plant Upgrade for services rendered 11/1/21 through 11/30/21, in the amount of \$465,287.93.
- II. Merrill Walker moved to approve RSCI's Pay Application No. 9 for the 2020 Water Treatment Plant Upgrade, for services rendered 11/1/21 through 11/30/21, in the amount of \$465,287.93.

**Copy of RSCI Pay Application No. 9 attached to minutes**

- Approval of proposal from Dan Semmens from Dorsey to serve as the District's Bond Counsel for the Phase 3 Sewer Project
- III. Merrill Walker moved to approve Dan Semmens of Dorsey Law Firm to act as Bond Counsel for the LWSD Phase 3 Sewer Project services to be performed for approximately \$40,000. Carlotta Hecker seconded the motion. Motion carried.

**Copy of Dorsey proposal attached to minutes**

**OLD BUSINESS**

- **Phase 3 Sewer Update**

Jill Cook presented to the Board for its discussion and review, a document entitled Lockwood Water and Sewer District Phase 3 Sewer – Boundary/Bonding/Other project Development Assistance, Board Update 12/8/21. Basically it is an outline of the tasks completed and those in progress, along with Implementation Schedules from Morrison-Maierle and Dan Semmens of Dorsey.

The items in progress are as follows:

- (1) MMI working on preparing a Phase 3 boundary exhibit and legal description this month.
- (2) Working with Adam Harris at RiverStone Health to update the drainfield map that we have used in our previous PER updates. This updated figure would then be used in future public meetings. The exhibit summarizes drainfield repairs (1st, 2nd, 3rd, other?) and non-conforming repairs.
- (3) We had a meeting last week with Anna Miller at DNRC (SRF) and Steve Troendle at USDA-RD to discuss an SRF loan versus or in addition to an RD loan. At that time, Anna didn't have a lot of information on SRF loan forgiveness that will be available with the last infrastructure bill but will stay in contact as information becomes available.
- (4) We had a meeting last week with Tim Miller at Yellowstone County to discuss restoration of the street section versus trench restoration. Anticipate that Mike and Jill will get on agenda to discuss further with the Commissioners.
- (5) We had a meeting yesterday with the ARPA DNRC Team to discuss re-submitting in the second application round for ARPA funding. Reviewed points awarded in first round. Changes in scoring in second round discussed. See detailed scoring sheet. Check/review/update readiness to proceed, water use efficiency, and project rates. Anticipate two changes in second round; additional points for readiness to proceed and affordability. Affordability is now calculated based on projected rates and not current rates.

- (6) An email has been sent to Becky Anseth with DOC requesting conference call to discuss applying for CDBG next year to assist with paying sewer assessments for LMI households.
- (7) Email sent to Lori Benner requesting information on who can complete an income survey.
- (8) Contacted Sonja Hoeglund at DNRC about Renewable Resource Grants to Private Entities Program. This program can pay 25% of cost up to max of \$5k to abandon septic tank and drainfield and connect to sewer.
- (9) Prepared implementation schedule.
- (10) MMI will be looking closer at the Phase 3 estimates to update and make sure there is adequate contingency for unknowns especially given the current climate of rising mater and labor costs. Will also look for input from the Board. At a minimum, prices anticipated to go up because the project will be delayed one year to be bid in 2023 instead of 2022 to allow for the boundary setting process, bond election, and design (assuming a successful bond election).

Jill Cook and Manager Ariztia reported on each of the above items and their impact to the Phase 3 project. The RD loan was the District's choice because of its interest rate of 1.75%. The SRF interest rate was 2.5%; however, if further grant money becomes available, the District will have to apply for an SRF loan in order to secure SRF loan forgiveness. RD has been very cooperative with the District and advised if other funds were received, they would have no problem decreasing the amount of loan commitment due them from the District.

Jill offered a short review of the implementation schedules, followed by additional discussion and comments by the Board. The implementation schedules are based on current information and may be changed as circumstances change. Two things were targeted for follow-up, the exact petition process and a hearing prior to the end of the protest period. Updates will be presented to the Board on a regular basis.

### **Board Update and Implementation Schedules attached to minutes**

### **Water Treatment Plant Update**

Manager Ariztia advised that RCSI is continuing work on the concrete, pouring walls, pouring slabs, and tying rebar mats. Manager Ariztia reported that RCSI, as a contractor, has been very good to work with.

### **FINANCIAL REPORTS**

Financial reports attached to the minutes encompass the November, 2021 accounting period and are as follows: Claim Details; Trial Balance with Revenue and Expenditures; Statement of Revenue Budget vs. Actual; and Statement of Expenditures Budget vs. Actual Report.

**APPROVAL OF BILLS DUE FOR SIGNATURE**

IV. Stuart Deans moved to approve payment of the bills submitted on the Claim Details list. Carlotta Hecker seconded the motion. Motion carried.

**OTHER BUSINESS**

Manager Ariztia reported that according to District records, the Board terms go from November to November. On the last elections that happened this year, there were two open positions, Carl Peters and Merrill Walker. Carl’s application was approved. Merrill attempted to apply and it was the wrong application, so it did not go through. Technically, Merrill’s position is open. The Board can appoint Merrill to serve by acclimation for a four-year term.

V. Stuart Deans moved to appoint Merrill Walker by acclimation, to serve on the Board for a four-year term to 2025. Carl Peters seconded the motion. Motion carried.

**MANAGER’S REPORT**

**Pumping Record – Water**

November, 2020	30,222,800
November, 2021	21,380,000

**Wastewater Record**

October, 2020	4,496,976
October, 2021	5,447,000

**Exxon Wastewater**

October, 2020	69,052,368
October, 2021	45,044,000

VI. Scot Bowen moved to adjourn. Stuart Deans 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 regular Board meeting will be on January 12, 2022.


