

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

January 12, 2022

The regular meeting of the Lockwood Water and Sewer Board of Directors was held on January 12, 2022. 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, Jill Cook of Morrison-Maierle, Inc., and Evelyn Pyburn of *Yellowstone County News*.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

The December 8, 2021 minutes were presented for approval. There were no corrections to the minutes.

- I. Merrill Walker moved to approve the minutes as written. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS

• **Approval of 2022 Board Meeting Schedule**

Manager Ariztia presented for Board approval the 2022 Board Meeting Schedule, as follows:

January 12, 2022	July 13, 2022
February 9, 2022	August 10, 2022
March 9, 2022	September 14, 2022
April 12, 2022	October 12, 2022
May 11, 2022	November 9, 2022
June 08, 2022	December 14, 2022

- II. Scot Bowen moved to approve the calendar year 2022 Board Meeting Schedule. Stuart Deans seconded the motion. Motion carried.

- **Approval of Pay Application No. 10 to Record Steel and Construction, Inc. (RSCI) for the 2020 Water Treatment Plant Upgrade Project**

RSCI submitted Pay Application # 10 for the 2020 Water Treatment Plant Upgrade covering services rendered 12/1/2021 through 12/31/2021 in the amount of \$411,699.26.

- III. Merrill Walker moved to pay RSCI Pay Application # 10 in the amount of \$411,699.26, for services rendered 12/1/2021 through 12/31/2021. Carlotta Hecker seconded the motion. Motion carried.

Copy of Pay Application attached to minutes

- **Discussion on Phase 3 Sewer project; updated cost estimate, funding and timeline.**

Manager Ariztia advised Morrison-Maierle completed its cost estimate update. The updated estimate is approximately \$4 million more than the initial estimate for Phase 3. A majority of the increase was projecting inflation and cost increases out to the three years anticipated for the project.

Jill reported that as much as possible, MMI has tried to be conservative. They have reached out to contractors for input regarding these costs. If unit costs need to be adjusted between now and February, they will do so. Inflation was figured at 6% a year. Under normal circumstances, inflation would be 2-1/2 to 3%.

Manager Ariztia advised there are other grant opportunities or possibilities that were brought to his attention that are being looked into. Regardless of looking for other funding, the numbers provided are the ones that they will present to the public. The numbers reflect the uncertainty of costs and inflation percentages in the future.

It was the conclusion of the Board that in view of the circumstances, it is best to move forward with the updated Implementation Schedule presented tonight. Manager Ariztia said at the next Board meeting, the Resolution of Intention to establish the sub-district boundary will be presented for approval, and the appropriate public notice will be issued with the date for the public hearing to adopt the Resolution. Also, the Board granted authority to Manager Ariztia to apply for a \$4 million SRF loan.

Manager Ariztia emphasized that the District needs to be very transparent and very upfront with the property owners within Phase 3, especially when the District reaches the point to establishing the special assessment. It is important that the property owners understand that if they do not want to go ahead with the special assessment, they

are obligated to notify the District by letter or notice opposing the assessment and advising that they do not wish to participate. There will not be a ballot.

Copy of Costs, Implementation Schedule and Maps attached to minutes

OLD BUSINESS

- Water Treatment Plant Expansion Update

Jill Cook reported work is proceeding a little slowly but fine. There is still a lot of concrete work going on. They are continuing on the crack seal on the north wall and started the south wall. Jill anticipates they will not be done within contract time. It's looking like work will continue on through approximately May, but there are no other concerns.

FINANCIAL REPORTS

Financial reports attached to the minutes encompass the December, 2021 accounting period, and are as follows: Claim Details; Trial Balance with Revenues and Expenditures – Water Fund; Trial Balance with Revenues and Expenditures – Sewer Fund; Statement of Revenue Budget vs. Actuals – Water Fund; Statement of Revenue vs. Actuals – Sewer Fund; Statement of Expenditures, Budget vs. Actual Report – Water Fund; Statement of Expenditures, Budget v. Actual Report – Sewer Fund.

APPROVAL OF BILLS DUE FOR SIGNATURE

- IV. Stuart Deans move to approve the bills for signature. Carlotta Hecker seconded the motion. Motion carried.

OTHER BUSINESS

None.

MANAGER'S REPORT

Pumping Record – Water

December, 2020	19,806,300
December, 2021	21,334,500

Wastewater Record

November, 2020	4,650,316
November, 2021	4,970,000

Exxon Wastewater

November 2020	63,354,852
November, 2021	56,642,000

Manager Ariztia and Jill Cook attended a work session with the Yellowstone County Commissioners on January 6th. They discussed partnering with the District on the roads for Phase 3 as they did in Phase 2 wherein the complete roads were restored. At that time, the County paid the difference between the ditch restoration and the full width restoration of the roads. The County appeared to be supportive to partnering again with the District.

ADJOURNMENT


V. Merrill Walker moved to adjourn. Carlotta Hecker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:25, p.m.

The next regular Board meeting will be on February 9, 2022.



Attest



Attest