

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

September 13, 2023

Call to Order:

The regular meeting of the Lockwood Water and Sewer Board of Directors was held on September 13, 2023. Board President Carl 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.

Introductions:

Present at the meeting were Board members Carl Peters, Carlotta Hecker, and Stuart Deans. Board member Scot Bowen was absent. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, and Jill Cook, Engineer, Morrison-Maierle, Inc.

Public Comment:

1. Any member of the public may be heard on any subject that is not on the agenda.

President Peters commented on his association with Merrill Walker, stating they started together on the Board back in 1996, over 27 years ago. Merrill was also president of the Lockwood Irrigation Board since 2009.

Merrill passed away on September 3, 2023. Our condolences are sent to his family. Merrill will be truly missed.

Approval of Minutes:

2. August 9, 2023.

Page 5: Par Pacific should be **Par Montana**.

Page 5: Second full paragraph: Form should be **from**; Holiday Inn should be **Holiday Inn Express**; boarding should be **boring**;

- I. Carlotta Hecker moved to approve the minutes of the August 9, 2023 meeting with the corrections as noted above. Stuart Deans seconded the motion. Motion carried.
3. **Discussion and approval of Amendment No. 5 to Task Order No. 17 of the Water Master Agreement relating to increased costs for the Construction Phase Services for the 2020 Water Treatment Plant Improvements.**

Jill Cook explained Amendment 5 is an amendment for ongoing construction phase services, observation, and construction administration due to the contractor's continuing work at the Treatment Plant. As noted on Page 2 of Amendment 5, Amendments 1 through 4 covered additional services provided through February 25, 2023, and at that time unscheduled employment had been withheld from the contractor's payment applications. The Engineer has not received a payment application from the contractor since that time, so it is not considered to be withheld, but the Engineer has been providing ongoing construction observation and administration. Amendment 5 would cover observation and administration through September 1st.

This Amendment does not include any time for the 30 days after they achieved substantial completion as 30 days of service is provided for in the contract after substantial completion. The Engineer also has not included any of their costs or effort related to the O&M manual, which they were going to do regardless, or any work they would have done whether or not the contractor was delayed. Amendment 5 raises the contract ceiling in the amount of \$87,500.00.

A portion of this amendment may be withheld on a future payment application from the contractor. There is a meeting scheduled with the contractor Tuesday, the 19th, to discuss days the contractor is asking for on various change orders. There are some disagreements to be worked through.

Total revised cost for Task Order 17, including Amendments 1 through 5 is \$1,233,654.00.

II. Stuart Deans moved to approve Amendment No. 5 to Task Order 17 for Additional Construction Observation and Administrative Services beyond the contracted date of Substantial Completion, February 26, 2023, in the amount of \$87,500.00. Carlotta Hecker seconded the motion. Motion carried.

4. Request from Sunset Construction LLC to extend District facilities for the proposed Clayton Street Extension. The proposed extension would install water mainlines, services and fire hydrants to service a maximum of 8 lots.

A request was received from Sunset Construction LLC to extend District facilities for the proposed Clayton Street Extension. The lots were already divided so the request is to provide water facilities to them. Sewer was constructed and stubbed out to each one of the lots during Phase 2. The water main will come from Greenwood, down the extension of Clayton Street. It will then form a T, one side of the T being capped off and ignored, and the other direction will head south and be tied into the main that is already existing on Sterling Street.

- III. Stuart Deans moved to approve the request of Sunset Construction LLC to extend the proposed Clayton Street Extension for an 8” water main to serve Lots 4-11, Block 1 of Forrester Subdivision. Carlotta Hecker seconded the motion. Motion carried.

Old Business:

5. The question arose on the replacement of Merrill Walker on the Board. Manager Ariztia stated they would open up the vacancy and people who are interested can submit letters of interest. The Board will appoint a candidate and they would fulfill the remainder of Merrill’s term. It will be posted on LWSD’s website.

Financial Reports:

6. **Balance Sheets, P&L Budget Comparison Yellowstone County Trial Balance Summary**

Attached Financial Reports consist of the following designations for the Water and Sewer funds for August, 2023: Yellowstone County Trial Balance report, August, 2023; Claim Details; Trial Balance with Revenue and Expenditures; Statement of Revenue Budget vs. Actual; Statement of Expenditures – Budget vs. Actual Report.

Approval of Bills Due for Signature

7. IV. Carlotta Hecker moved to approve payment of the bills due as set forth on the Water and Sewer Fund Claim Details. Stuart Deans seconded the motion. Motion carried.

Other Business:

8. **Water Treatment Plant Expansion Update**

The contractor is a year and a half past schedule. The District is trying to get an up to date pay application submitted by the contractor. There is a meeting next week to discuss change orders, contract dates, so hopefully by the end of the meeting the District will have a better idea of where each party stands.

The contractor is presently working on the punch list that was created when the District issued the substantial completion. There is still change order work that will have to happen at the end of the October, November time frame. The good news is the siding is going up. The entire south wall is sided and they are looking on the big west wall where the large picture windows are. Landscaping will begin when the siding is completed.

9. **Phase 3 Sewer Update**

Work is being done on the final design plans. Several meetings have been held with property owners to obtain easements. There are approximately 8 properties where easements are being pursued.

Jill Cook reported they received confirmation today from Yellowstone Valley Electric that they are planning on going down the 10-foot alley west of Horn. They are moving the posts west. The poles are along the east side of that 10-foot alley and they will be moved closer to the middle, further from the homes.

Manager's Report:

10. **Pumping Record**

Water:	August, 2022	52,952,900	August 2023	52,172,600
Wastewater:	July, 2022	5,757,000	July, 2023	4,694,000
Par Montana				
Wastewater	July, 2022	58,104,000	July, 2023	53,215,000

A taxable valuation for the Phase 1 Sewer Subdistrict was received. In 2022, it was just under \$4 million, and this year it is almost \$4,880,000, approximately \$800,000 more. Last year in 2022 the mill levy was 140 mills. Manager Ariztia's recommendation, based on the calculations, is to reduce the mills to 116 mills for 2023. Payment on the GO Bond for 2023 is \$545,000.00. At a 116 mill levy it will generate \$554,000.00 in revenue.

- V. Carlotta Hecker moved to adopt a mill levy of 116 mills for the 2023 tax year. Stuart Deans seconded the motion. Motion carried.

Manager Ariztia advised the Board he will be attending a Coal Board meeting on September 14 representing the District. It will be held at the Big Horn Resort.

Adjournment:

- VI. Carlotta Hecker 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.



ATTEST



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