

Lockwood TEDD Advisory Board Minutes
Wednesday, August 19, 2020 – 2:30 pm
Via Zoom

Board Members Present: Woody Woods, Terry Seiffert, Mike Ariztia, Pam Ask, Jennifer Kondracki, Josh Starr, John Ostlund, Tim Miller, Nick Pancheau

Board Member Absent: Frosty Erben, Jason Heath

Staff and Guests: Chris Kukulski (City), Robin Rude (DOR) Matt Corcoran (KLJ), Becky Bey (KLJ), Matt Smith (KLJ), Tom Llewellyn, Scott Walker (City), Rod Nelson (MDT), Thom MacLean (BSED)

1. Welcome and Introductions

Woody Woods called the meeting to order at 2:30.

2. Approval of Agenda

Terry Seiffert moved to approve the Agenda. Mike Ariztia seconded. Motion passed.

3. Approval of Minutes

Terry Seiffert moved to approve the minutes of the July 15th meeting. Mike Ariztia seconded. Motion passed.

4. Updates. BSED provided updates on the following item:

Extension of the sewer boundary to include the TEDD Study Area under LWSD's existing Wastewater Service Agreement with the City. A proposal was taken to City Council at their July 20th work session regarding expansion of the LWSD sewer boundary. The proposal, in brief, is:

The City of Billings will agree to the expansion of the LWSD sewer district boundary to include the TEDD Study Area, as allowed under the terms of the Wastewater Service Agreement, without requiring annexation or Waivers of the Right to Protest Annexation subject to the following conditions:

- Wastewater from the expanded area would be subject to an additional 12% surcharge (18% total)
- LWSD will be prohibited from using Heights Water District to supply possible future water needs.
- The development of a Memorandum of Understanding between the City of Billings and Yellowstone County to expressly outline a cooperative approach to

development, subdivision, land use, zoning, regulation, and annexation issues along the City-County boundary.

The City Council, by a 9 – 2 vote directed City Staff to work with LWSD and BSED to explore this proposal. They asked for several items of additional information, including:

1. Legal Review of the 18% surcharge and restriction from accepting water through Billings Heights Water (City follow-up)
2. Calculation estimates of fees to the City for wastewater treatment services - including the 18% surcharge (LWSD/BSED with verification from City)
3. Clarification of the properties to be served (BSED)
4. Draft outline of the proposed MOU with City and County (City)
5. Meeting with County Commissioners/Bus Tour of the TEDD area, South Zoo Drive and Highway 3/Airport development areas
6. Clarity of DEQ development requirements (BSED/KLJ)

Items 2, 3, and 6 were our responsibility. We provided that information to the City on August 10. The City is still working on the other items.

Mike Ariztia of LWSD has met with Jennifer Duray of the City regarding the mechanics of the agreement's additional surcharge on TEDD wastewater flows. In that meeting, the prospect of the additional surcharge applying to additional items besides the wastewater flow, i.e., reserve capacity/O&M/capital charges already levied to LWSD. That aspect with need to be discussed further.

The earliest City Council regular meeting agenda this issue can be on it September 14. The deadline to have all documents ready for that meeting is September 3. We will work with the City to ensure all necessary items are in by that time. Mike Ariztia will be unavailable on that date, so it may have to be pushed back to the September 28 meeting.

Annual Workplan. The FY2021 Annual Workplan was review at our July meeting. We received no further edits on it at that point, so it was taken to the Yellowstone County Commissioners for review and acceptance. At the time, we did not have the latest DOR figures for increment. Robin Rude provided that information. The taxable value for the TEDD is \$138,112, an increase of about \$36,000 over last year. Once the mills are determined, we can calculate the increment. We will amend the Work Plan to reflect these new figures.

5. Public Comment

None.

6. Adjourn

With no further business, Woody Woods adjourned the meeting.

Next Meeting: September 16, 2020 @ 2:30 – Location TBD