

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

June 11, 2025

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on June 11, 2025. 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, Brent Kober and Gary Forrester. Board Member Scot Bowen was absent. Also present was LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Morrison-Maierle Engineer, Jill Cook, Evelyn Pyburn, *Yellowstone County News*, and Lockwood resident, Dick Hoke.

Public Comment:

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

There were no public comments.

Approval of Minutes:

2. **May 14, 2025.**

The minutes of the May 14, 2025 Board meeting were presented for review and approval by the Board. No corrections were noted.

- I. Carlotta Hecker moved to approve the May 14, 2025 Board minutes as written. Brent Kober seconded the motion. Motion carried.

New Business:

3. **Approval of Change Order No. 2 to the I-90 Water and Sewer Crossings East of Johnson Lane Project**

Change Order No. 2, Schedule 2, covers additional work required to lower the waterline and install a new sump in North Frontage Road to avoid conflict with the 36" RCP storm drain. Total increase in contract in Schedule 2, \$62,595.16.

Schedule 4 changes encompass additional work to install the Old Hardin Road detour for work on Cole Street. Schedule 4 changes, \$19,341.12. Total Change Order 2 changes, \$81,936.28.

- II. Gary Forrester moved to approve Change Order No. 2 to the I-90 Water and Sewer Crossings East of Johnson Lane Project in the amount of \$81,936.28. Carlotta Hecker seconded the motion. Motion carried.

4. Approval of Pay Application No. 3 to COP Construction, for the I-90 Water and Sewer Crossings East of Johnson Lane Project

COP Construction submitted Pay Application No 3 for work performed on the I-90 Water and Sewer Crossings East of Johnson Lane Project in the gross amount of \$547,095.77; \$541,624.81 to the contractor and \$5,470.96 to Montana Gross receipts tax.

- III. Gary Forrester moved to pay COP Construction Pay Application No. 3 in the amount of \$547,095.77; \$541,624.81 to COP Construction and \$5,470.96 to Montana Gross Receipts Tax. Carlotta Hecker seconded the motion. Motion carried.

5. Discussion and approval of Amendment No. 1 to Task Order No. 25 of the Water Master Agreement relating to I-90 Water and Sewer Crossings East of Johnson Lane Project

Amendment No. 1 to Task Order 25 outlines Modifications to services of Engineer and Modifications to payment of Engineer. A.2 sets forth Engineer's rework caused by design changes from MDT. Total contract ceiling will be raised for Amendment 1 by \$29,036.50; \$7,329.50 due LWSD; \$21,680.00 due Yellowstone County.

- IV. Carlotta Hecker moved to approve Amendment No. 1 to Task Order 25 raising the contract ceiling to \$29,036.50; due to LWSD, \$21,680.00, due to Yellowstone County \$21,680.00. Brent Kober seconded the motion. Motion carried.

6. Discussion and Approval of Amendment No. 2 to the Lockwood Phase 3 Sewer Subdistrict Project agreement for engineering design and bidding services

Upon approval of DEQ, Amendment No. 2 to the LWSD Phase 3 Sewer Subdistrict Project covers additional services to be performed by Engineer and modifications of payment of Engineer, and utilizes four deviations, attachments and coordinated locations with the LWSD District for using "Poo Pits" or maintenance shafts at sewer main dead ends and in easement and alley locations in lieu of concrete manholes. This included design and bidding.

Cost of final design phase, deviation work related to maintenance shafts, \$2,000.00.

Final Design Phase – update plans and specifications, \$4,900.00. If the deviations are not approved, this work will not be completed or invoiced. Total: \$6,900.00.

- V. Gary Forrester moved to approve Amendment No. 2 to Lockwood Phase 3 Sewer Subdistrict Project agreement for engineering design, subject to approval of the DEQ, and bidding services in the amount of \$6,900.00. Brent Kober seconded the motion. Motion carried.

7. Discussion and Approval of agreement with Raftelis to provide services related to the review of the City of Billings 2025 Wholesale Rate Study

Manager Ariztia contacted Andrew Rheem of Raftelis, who assisted the District in 2017, 2019 and 2021 in reviews of the City's rate analysis and proposed rate adjustments.

Mr. Rheem advised Manager Ariztia that his firm will assist the District in reviewing cost allocation and rate setting methodologies and approaches for consistencies with the District and City contract documents, accepted industry practices and procedures, and compliance with Montana and Federal statutory guidance.

The not-to-exceed fee for these services is \$17,500.00

- VI. Carlotta Hecker moved to approve the Raftelis Proposal for the full review of the City's rate study in an amount not to exceed \$17,500.00. Brent Kober seconded the motion. Motion carried.

8. Resolution No. 189 – fiscal year 2026 Sewer Planning Budget

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of June, 2025 at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2026 Sewer Capitalization Budget for fiscal year 2026 be approved as represented in the attachments to this Resolution entitled "Proposed 2026 LWSD Sewer Operations Expense Budget" (page 1) with supporting exhibits entitled "2026 Forecasted LWSD Sewer Income" (page 2) "Proposed 2026 LWSD Capitalization Budget" (page 3). The Sewer Operations Expense Budget for Fiscal Year 2026 therefore be approved in the amount of \$2,098,220.00 and the Fiscal Year 2026 LWSD Capitalization Budget be approved in the amount of \$1,027,190.00. Total \$3,125,410.00.

Signed: Carl Peters, President

Attested: Carlotta Hecker, Secretary

- VII. Gary Forrester moved to adopt Resolution No. 189, the Fiscal Year 2026 Sewer Operations Expense Budget, and Fiscal Year 2026 Capitalization

Budget, in the amount of \$3,125,410.00. Carlotta Hecker seconded the motion. Motion carried.

9. Resolution No. 190 – fiscal year 2026 Sewer Operations Expense Budget

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of June, 2025 at the District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Sewer Planning Budget for Fiscal Year 2026 be approved in the amount of \$30,000.00.

VIII. Brent Kober moved that Resolution No. 190, the Sewer Planning Budget for Fiscal Year 2026, is adopted in the amount of \$30,000.00. Carlotta Hecker seconded the motion. Motion carried.

2026 Planning Budget with Cash Flow Analysis Attached

Signed: Carl Peters. President Attested: Carlotta Hecker, Secretary

10. Resolution No. 191 – fiscal year 2026 Water Operations Expense Budget

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of June, 2025 at the District office located at 1644 Old Hardin Road, Billings, Montana.

RESOLUTION: Be it ordained by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that the Fiscal Year 2026 Water Operations Expense Budget and the Fiscal Year 2026 Water Capitalization Budget for Fiscal Year 2026 be approved as represented in the attachments to this Resolution entitled “Proposed 2026 Water Operations Expense Budget” (page 1) with supporting exhibits entitled “2026 Forecasted LWSD Water Income” (page 2), “Proposed 2026 LWSD Capitalization Budget” (page 3). The Water Operations Expense Budget for Fiscal Year 2026 therefore approved in the amount of \$2,164,750; the Fiscal Year 2026 LWSD Capitalization Budget approved in the amount of \$2,543,750.00. Total: \$4,708,500.00.

Signed: Carl Peters, President Attested: Carlotta Hecker, Secretary

- IX. Gary Forrester moved to adopt Resolution No. 191, Water Operations Expense Budget for Fiscal Year, \$2,164,750.00, and Fiscal Year 2026 LWSD Capitalization Budget, \$2,543,750.00; Total: \$4,708,500.00. Carlotta Hecker seconded the motion. Motion carried.

Old Business:

11. I-90 Water and Sewer Crossings East of Johnson Lane Project

Old Hardin Road is now open to traffic. In the intersection area of Old Hardin Road and Cole Street, there is a significant number of utilities, resulting in the contractor opting to do “pipe bursting”, which is digging a hole on both ends to bring the line down Cole Street and enlarge it. This method splits the pipe, expands it, and pulls the new line through. By doing that they do not have to dig up the whole road except for those two pit areas, and they do not have to deal with all the underground utilities.

Video of the line revealed a significant “belly” in the pipe. The hole started to cave in, more utilities were exposed and it became a safety concern for the contractor. Measures were taken by the Contractor and LWSD to make the problem less impactful to the businesses and residents.

The 42” bore is complete from North Frontage Road to the Holiday Inn property. The Contractor has completed the 24” bore from the median section by the Interstate just the other side of the on-ramp to Holiday Inn and they have started the bore from North Frontage Road to that intermediate tip. They hope to be done with the 24” bore by the end of this week or sometime next week.

Once that is completed, there is another 24” bore from the southeast corner of the intersection of Johnson Lane and North Frontage Road to the northwest corner. Tomorrow they are planning on doing the water tie-in on Cole Street.

Phase 3 Sewer Project Update

The bidding advertisement for this week was not able to be done. They hope to go to bid next week. The drawings are being finalized.

Financial Reports:

12. The Board discussed balance sheets, questions on invoices, P&L Budget Comparison, and Yellowstone County Trial Balance Summary.
13. **Approval of Bills Due for Signature:**
- X. Carlotta Hecker moved to pay the bills due for signature. Gary Forrester seconded the motion. Motion carried.

Other Business:

None.

Manager's Report:

14.	Pumping Record Water	May, 2024	29,836,354	May, 2025	32,355,120
	Wastewater Record	April, 2024	4,526,000	April, 2025	4,156,000
	Par MT Wastewater	April, 2024	50,374,000	April, 2025	72,886,000

Manager Ariztia reported there was a leak. They received a report that the power company was going to replace a power pole and discovered a sink hole next to it, 2-1/2, 3-feet deep, 4-feet wide by 3-feet wide, with no standing water. It was on North Frontage Road across from Planet Lockwood, and was repaired yesterday.

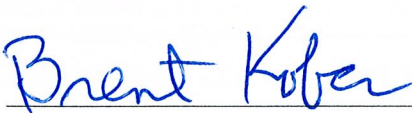
Manager Arizta expressed an interest in purchasing equipment to repair leaks that occur, and has placed them in the budget.

The Montana Rural Water Conference will be held next year in Billings at the Billings Hotel and Convention Center.

Adjournment:

XI. Gary Forrester moved to adjourn. Brent Kober seconded the motion. Motion carried.

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



ATTEST



ATTEST