

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

August 13, 2025

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on August 13, 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, Scot Bowen and Gary Forrester. Also present was LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Stephanie Seymanski of Morrison-Maierle, and Evelyn Pyburn, *Yellowstone County News*.

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. **July 9, 2025**

The minutes of the July 9, 2025 Board meeting were presented for review and approval. Two corrections were noted; Page 2, Item No. 5, replace EPA Emerging **reimbursement** Grant Program with **“EPA Emerging Contaminant Grant Program”**; item IV, replace **reimbursement** with **“Contaminant”**.

- I. Brent Kober moved to approve the July 9, 2025 Board minutes with the corrections as noted above. Carlotta Hecker seconded the motion. Motion carried.

New Business:

3. **Approval of Pay Application No. 5 to COP Construction, for the I-90 Water and Sewer Crossings East of Johnson Lane Project**

COP Construction presented Pay Application No. 5 for work performed from June 26, 2025, to July 25, 2025 on the I-90 Water and Sewer Crossing East of the Johnson Lane Project, in the amount of \$286,462.93.

II. Gary Forrester moved to approve Pay Application No. 5 to COP Construction in the amount of \$286,462.93, less Montana gross receipts tax in the amount of \$2,864.63. Scot Bowen seconded the motion. Motion carried.

4. **Ordinance No. 2025-2 covering the petition for inclusion into Water District #1 from Paul Fasching at 327 Sandy Lane (Johnson Park Subd, T01 N., R26 E, Block 3, Lot 7A, 8 & 9) Tax Code – C04702**

Mr. Fasching's petition for inclusion in Water District #1 was approved at the July 9, 2025 meeting of the Board. Accordingly, a Certificate as to Ordinance and Adopting Vote was issued at the August 13, 2025 meeting of the Board.

CERTIFICATE AS TO ORDINANCE AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), hereby certify that the attached ordinance is a true copy of an Ordinance entitled: **"An Ordinance of the Lockwood Area/Yellowstone County Water and Sewer District, Montana, granting the Petition of Individual, Paul Fasching, (July 2, 2025) to Include Lands in Water District #1 and Sewer Service District #1** (the Ordinance), on file in the original records of the District in my legal custody, that the Ordinance was duly adopted by the Board of Directors of the District at a regular meeting on August 13, 2025, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

I hereby certify that, upon vote being taken on the Ordinance at said meeting, the following Directors voted in favor thereof: Carl Peters, Brent Kober, Carlotta Hecker, Scot Bowen, Gary Forrester; voted against the same: None; abstained from voting hereon: None; or were absent: None.

WITNESS my hand and seal officially this 13th day of August, 2025.

(Notarial Seal)

Secretary/Treasurer LWSD

III. Gary Forrester moved to adopt Ordinance 2025-2, covering the Petition for Inclusion by Paul Fasching, of lands in Johnson Park Subdivision, Lots 7A, 8 and 9, Block 3, Tax Code CO4702, into Water District #1 and Sewer Service District #1. Carlotta Hecker seconded the motion. Motion carried.

5. Discussion and possible award of the construction contract for the Lockwood Water & Sewer District Phase 3 Sewer Subdivision and Lockwood Subdivision Water Improvements Projects. Award is subject to funding agency approval.

Bids for construction of the LWSD Phase 3 Sewer Subdivision and Lockwood Subdivision Water Improvement Projects were received on July 22, 2025.

Bidders were as follows: Askin Construction, \$20,550,137; Western Municipal Construction, \$23,696,365; and COP Construction, \$30,896,781. Pursuant to the recommendation of Morrison-Maierle, the low bidder, Askin Construction, was awarded the contract subject to the approval of the funding agencies. Board member Scot Bowen abstained from voting citing a professional relationship with Askin Construction.

IV. Carlotta Hecker moved to award the Phase 3 construction bid to Askin Construction, the low bidder, in the amount of \$20,550,137, which is subject to approval by the funding agencies. Gary Forrester seconded the motion. Motion carried.

6. Approval of the 2025 Mill Levy for Phase II Sewer G.O. Bond

The 2025 real property taxable valuation is \$4,794,301. A 115 Mill Levy will cover the 2025 Phase I G.O. Bond payment in the amount of \$543,801.25.

V. Scot Bowen moved to approve the 115 Mill Levy for payment of the Phase 1 G.O. Bond for 2025. Carlotta Hecker seconded the motion. Motion carried.

7. Discussion and possible motion regarding annual wage increases for fiscal year 2026

Manager Ariztia informed the Board that he had contacted and researched entities in the area, to ascertain their percentages of increase or change in connection with 2026 wages. He affirmed that LWSD employees are professional and hardworking.

After discussion, the Board determined wages should be increased across the board by 4% for fiscal year 2026. This would be an increase to the budget of \$19,261.25.

VI. Carlotta Hecker moved to increase 2026 wages by 4%., for both staff and salaried employees resulting in a total increase to the budget of \$19,261.25. Brent Kober seconded the motion. Motion carried.

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

The I-90 construction is complete. On August 6, 2025, the Notice of Substantial Completion was issued. COP is presently working on the punch list. Manager Ariztia announced that as a result of the construction, the District benefitted by three new hydrants.

There will be an amendment to the engineering agreement for this project because COP exceeded contract time which resulted in additional unscheduled employment of the engineer. There was a meeting with COP to discuss the unscheduled employment of the engineer and to ascertain if liquidated damages should be assessed. Based on the fact COP was over contract time, the District does have the option to assess liquidated damages.

Manager Ariztia's advised the operation of the facility was not impacted by the project and therefore he would not recommend assessment of liquidated damages.

- VII. Gary Forrester moved to direct Manager Ariztia to waive the liquidated damages associated with the extension of contract time. Brent Kober seconded the motion. Motion carried.

Phase 3 Sewer Project Update

Stephanie Seymanski reported contracts are being assembled to cover the construction agreement with MMI, as the original agreement only covered design. The contract documents will need to be approved after their completion.

Financial Reports:

9. The Board discussed balance sheets, questions on invoices, P&L Budget Comparison, and Yellowstone County Trial Balance Summary.

10. Approval of Bills due for Signature

- VIII. Scot Bowen moved to pay the bills due for signature. Carlotta Hecker seconded the motion. Motion carried.

Other Business:

Gary Forrester questioned whether the Lockwood Irrigation District was able to cede some of the water rights they own to the Lockwood Water & Sewer District. He asked if the City of Billings received additional water rights from the BBWA for the use of the BBWA canal and the large water reservoir they were constructing west of Billings. He inquired if there was a difference between how the BBWA and Lockwood Irrigation District manage their water rights.

Manager Ariztia responded it was his understanding that the City and the BBWA had an agreement to just transport water. The City of Billings has a large bank of water rights themselves. He does not believe that BBWA is giving or selling any water rights to the City of Billings. They are just using their facilities to transport water.

Manager's Report:

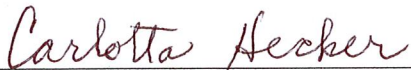
11.	Pumping Record Water	July, 2024	68,054,123	July, 2025	53,347,521
	Wastewater Record	June, 2024	Not Available	June, 2025	5,135,100
	Par MT Wastewater	June, 2024	Not Available	June, 2025	29,878,300

Wastewater discharge revenues from Par MT are cancelled, they are now discharging to the river. Carlotta Hecker questioned what impact that would have on the reserve capacity status and if the amount we pay the City would decrease. Manager Ariztia responded that one of the questions posed to the City was does Par MT's status switch from a reserve now to an active customer and how that is factored in. There has been no response from the City.

Adjournment:

VIII. Carlotta Hecker moved to adjourn. Scot Bowen seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:00 p.m.



ATTEST



ATTEST