

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

January 14, 2026

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on January 14, 2026. 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

Introduction:

Present at the meeting were Board members Carl Peters, Carlotta Hecker, Brent Kober, Gary Forrester and Scot Bowen. Also, present was LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Stephanie Seymanski, Engineer, 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. December 10, 2025.

The minutes of the December 10, 2025 minutes were presented for review and approval. The following corrections were made.

Reference to **plant** or **plants** should designate **asphalt plants being closed in the winter**.

Under Mid-Zone Tank Update, refer to construction award issued to Western Construction as **Western Municipal Construction**.

- I. Brent Kober moved to accept the December minutes with the corrections as noted. Carlotta Hecker seconded the motion. Motion carried.

3. Approval of the 2026 Board Meeting Schedule

Manager Ariztia presented for review a time schedule for 2026 Board meetings. November's Board meeting was changed to November 10th as November 11 is a holiday. The Board was agreeable to the change.

- II. Brent Kober moved to approve the schedule for 2026 Board meetings, and the change in the November, 2026 meeting. Carlotta Hecker seconded the motion. Motion carried.

4. Appointment of officers

Discussion was held regarding replacement of Board officers or retaining the ones presently in office. The consensus was to retain the officers now in place.

- III. Gary Forrester moved to retain the present Board officers, Carl Peters, President, Carlotta Hecker, Secretary/Treasurer, and Brent Kober, Vice President. Scot Bowen seconded the motion. Motion carried.

5. Discussion and approval of District 2026 Health Insurance renewal.

The health insurance is now due for yearly renewal. Manager Ariztia met with the District's insurance representative to review the options available to the Board. If the District stays on the current Blue Cross/Blue Shield plan, there would be an approximate 21% increase. The manager proposed an optional Blue Cross/Blue Shield Balance Funded (BBF) plan which would result in a decrease in premiums. Further renewal and premiums on the proposed plan would be based upon District employee claims against the policy for the previous year, instead of being spread across the larger Blue Cross/Blue Shield pool. The District is currently covered on what is called a "Point of Service" plan, limiting service to the Billings Clinic. The proposed plan is open to either Billings Clinic or Intermountain Health (formerly St. Vincent Hospital).

Dental Insurance is currently with Guardian Dental. The current coverage is \$1,000 per year, per person. Under the Proposed Principal plan option, coverage would increase to \$1,500.00 per year at a reduced premium.

Vision insurance under the proposed Principal/VSP plan, the current plan remains relatively the same as far as coverage and there is a decrease to the premium.

- IV. Gary Forrester moved for acceptance of Principal Insurance Option 1, on all three plans, health, dental and vision. Brent Kober seconded the motion. Motion carried.

6. Approval of Pay Application No. 2 to Askin Construction for the Phase 3 Sewer Project.

Askin Construction presented Pay Application No. 2 covering November 1, 2025 through December 23, 2025, in the amount of \$1,315,728.41 for work on the Phase 3 Sewer Project. Of that amount, \$13,157.28 covers the 1% Montana gross revenue tax. The total payment due this application to Askin Construction is \$1,302,571.13.

- V. Scot Bowen moved to pay Askin Construction Pay Application No. 2 for the Phase No. 3 Sewer Project in the amount of \$1,315,728.41. Gary Forrester seconded the motion. Motion carried.

7. Approval to attend Montana Rural Water Systems 2026 Convention.

The Montana Rural Water Systems 2026 Convention will be held on March 23, 24 and 25 at the Billings Hotel & Convention Center. This is the first year that the convention will be held in Billings. Board members Gary Forrester and Carlotta Hecker, along with the four operators, will attend. Cost for attendees is \$250.00 per person.

- VI. Brent Kober moved to approve the attendance of Gary Forrester, Carlotta Hecker and the four operators to the Montana Rural Water Systems 2026 Convention. Scot Bowen seconded the motion. Motion carried.

Old Business:

8. Phase 3 Sewer Project Update

Askin Construction has three crews now working on the sewer project. They dug the pit and installed the wet well for the lift station. They now have a crew that is working on the sewer main running parallel to the Interstate and Lockwood Subdivision.

The second crew is moving from the lift station heading east.

The third crew has been doing setup, removing fencing and things of that nature. Tomorrow they will be digging a manhole on Noblewood. They are moving along, putting in pipe and manholes. The weather is cooperating and communication is good between all parties.

9. Mid-Zone Tank Update

The Mid-Zone Tank Notice to Proceed was issued for Monday of this week. January 12, they cut and installed a tie-in on Sanctuary Canyon Road. The contractor, Western Municipal Construction, subcontracted the dirt work portion of the project. Based on the initial preconstruction meeting, they plan on doing all the dirt work and getting the pipe put in up to the tank site.

Financial Reports:

- 10. Balance Sheets, P&L budget comparison, Yellowstone County Trial Balance Summary

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

Approval of Bills Due for Signature:

- 11. VII. Brent Kober moved to approve the bills due for signature. Scot Bowen seconded the motion. Motion carried.

Other Business:

Manager's Report:

12.	Pumping Record Water	Dec., 2024	31,494,000	Dec., 2025	28,840,000
	Wastewater Record	Nov., 2024	4,388,000	Dec., 2025	4,354,100
	PAR Wastewater	Nov., 2024	42,764,000	Nov., 2025	63,539,100

Manager Ariztia brought up an incident of a few months ago when a property owner requested to be brought into the sewer district boundary. The Board approved it conditional upon approval from the City of Billings. The City Council had a City Council meeting on Monday. Manager Ariztia spoke regarding the project, LWSD's agreement with the City of Billings, and the language in the agreement which allows LWSD to expand its boundary with the approval of the City. The City did approve LWSD to expand its boundary to accept this one property, with the stipulation that the property owner sign a waiver of rights to protest future annexation into the City. It is now up to the property owner to decide whether it wants to sign the Waiver of Right to Protest.

A contractor meeting on the Emergent Contaminant Grant Program was held on November 18, 2025. Only two contractors attended. A public meeting on the Grant Program was held on December 16, 2025, for property owners at the Lockwood Middle School. Some changes were made to the program documents and were sent to the State for its review and final approval.

Manager Ariztia had nothing further to report on.

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

Adjournment:

There being no further business to come before the Board, the meeting was adjourned at 8:15 p.m.

Carlotta Hecker

ATTEST

A handwritten signature in blue ink, appearing to be "G. J. ...", written over a horizontal line.

ATTEST