

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

March 11, 2026

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on March 11, 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.

Introductions:

Present at the meeting were Board Members Carl Peters, Carlotta Hecker, Brent Kober, Scot Bowen, and Gary Forrester. LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Engineers Jill Cook and Stephanie Seymanski of Morrison-Maierle, Inc, and Evelyn Pyburn of *Yellowstone County News* were also present.

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. **February 11, 2026**

The minutes of the February 11, 2026 Board meeting were presented for approval. The following corrections were noted:

Page 4: Paragraph 1, Emergent Contamination should be "Emerging Contaminant."

Page 4: Paragraph 3, "mail" lift station should be "main" lift station.

Page 4: Paragraph 3, \$45,00, should be \$45,000.00.

- I. Gary Forrester moved to approve the minutes of the 2/11/2026 meeting with the corrections as set forth above. Scot Bowen seconded the motion. Motion carried.

New Business:

3. **Approval of Pay Application No. 4 to Askin Construction for the Phase 3 Sewer Project.**

Askin Construction presented Pay Application No. 4 in the amount of \$642,486.48 for work performed from 1/31/2026 through 2/27/2026. State tax withheld was \$10,971.31; amount due Askin Construction, \$631,515.17.

- II. Carlotta Hecker moved to approve Pay Application No. 4 from Askin Construction for the Phase 3 Sewer Project in the amount of \$642,486.48, less State tax withheld, \$10,971.31; amount due Askin Construction \$631,515.17. Gary Forrester seconded the motion. Motion carried.

4. Approval of Pay Application No. 2 to Western Municipal Construction for the Mid-Zone Water Storage Tank Project.

Western Municipal Construction presented Pay Application No. 2 for services on the Mid-Zone Water Storage Tank Project from February 1, 2026 through February 28, 2026 in the amount of \$471,104.98, less State tax withheld \$10,933.25; amount due Western Municipal Construction, \$461,171.73.

- III. Gary Forrester moved to approve Pay Application No. 2 to Western Municipal Construction in the amount of \$471,104.98, less State tax \$10,933.25; amount due Western Municipal Construction \$460,171.73. Scot Bowen seconded the motion. Motion carried.

5. Resolution No. 193: Resolution relating to \$1,001,280 subordinate lien sewer system revenue bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable series 2026, Authorizing the issuance and fixing the terms and conditions thereof.

This loan is for the Emerging Contaminant Grant Program. The District is required to execute a bond Resolution. However, once the funds are expended, the District will receive loan forgiveness on the total amount for the project.

RESOLUTION NO. 193

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of March, 2026, at the Lockwood Water & Sewer District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it resolved by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that;

RESOLUTION RELATING TO \$1,001,280 SUBORDINATE LIEN SEWER SYSTEM REVENUE BOND (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), TAXABLE SERIES 2026; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF.

Signed by Carl Peters, President and attested by Carlotta Hecker, Secretary, March 11, 2026.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 193, entitled: "RESOLUTION RELATING TO \$1,001,280 SUBORDINATE LIEN SEWER SYSTEM REVENUE BOND (DNRC WATER POLLUTION CONTROL STATE RELVOING LOAN PROGRAM), TAXABLE SERIES 2026; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the District in my legal custody, that the Resolution was duly adopted by the Board of Directors of the District at a meeting on March 11, 2026, 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 as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that upon vote taken on the Resolution at said meeting, the following Board Members voted in favor thereof: Carl Peters, Carlotta Hecker, Brent Kober, Scot Bowen and Gary Forrester; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand officially this 11th day of March, 2026

Secretary

IV. Scot Bowen moved to Adopt Resolution No. 193 relating to \$1,001,280 subordinate lien sewer system revenue bond (DNRC Water Pollution Control State Revolving Loan Program) Taxable series 2026. Carlotta Hecker seconded the motion. Motion carried.

6. **Resolution No. 194: Resolution relating to \$2,656,000 water system revenue bonds (DNRC Drinking Water State Revolving Loan Program), consisting of \$1,992,000 subordinate lien taxable series 2026A Bond and \$664,000 series 2026B Bond; Authorizing the issuance and fixing the terms and conditions thereof.**

The \$1,992,000 is the forgiven portion of the loan, and the \$664,000 will be the portion the District will receive the funding loan for. This is for the water mid zone tank project.

RESOLUTION NO. 194

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of March, 2026, at the Lockwood Water & Sewer District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it resolved by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that;

RESOLUTION RELATING TO \$2,656,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$1,992,000 SUBORDINATE LIEN TAXABLE SERIES 2026A AND \$664,000 SERIES 2026B BOND, AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF.

Signed by Carl Peters, President, and attested by Carlotta Hecker, Secretary on March 11, 2026,

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 194, entitled: "RESOLUTION RELATING TO \$2,656,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$1,992,000 SUBORDINATE LIEN TAXABLE SERIES 2026A BOND AND \$664,000 SERIES 2026B BOND, AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the District in my legal custody, that the Resolution was duly adopted by the Board of Directors of the District at a meeting on March 11, 2026, 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 as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that upon vote taken on the Resolution at said meeting, the following Board Members voted in favor thereof: Carl Peters, Carlotta Hecker, Brent Kober, Scot Bowen and Gary Forrester; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand officially this 11th day of March, 2026

Secretary

- V. Brent Kober moved to adopt Resolution No. 194, relating \$2,656,000 Water System Revenue Bonds DNRC Drinking water State Revolving Loan Program), Consisting of \$1,992,000 subordinate lien taxable series 2026A and \$664,000 Series 2026B bond. Scot Bowen seconded the motion. Motion carried.
7. **Resolution No. 195: Resolution relating to \$2,250,000 water system revenue bonds (DNRC Drinking Water State Revolving Loan Program); Authorizing the issuance and fixing the terms and conditions thereof.**

RESOLUTION NO. 195

A meeting of the Board of Directors of the Lockwood Water and Sewer District was held on the 11th day of March, 2026, at the Lockwood Water & Sewer District office located at 1644 Old Hardin Road, Billings, Montana.

The following Resolution was adopted by the Board of Directors:

RESOLUTION: Be it resolved by the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District (LWSD) that;

RESOLUTION RELATING TO \$2,250,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$1,125,000 SUBORDINATE LIEN TAXABLE SERIES 2026C BOND AND \$1,125,000 SERIES 2026D BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF.

Signed by Carl Peters, President, and attested by Carlotta Hecker, Secretary on March 11, 2026.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 195, entitled: "RESOLUTION RELATING TO \$2,250,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM, CONSISTING OF \$1,125,000 SUBORDINATE LIEN TAXABLE SERIES 2026C BOND AND \$1,125,000 SERIES 2026D BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the District in my legal custody, that the Resolution was duly adopted by the Board of Directors of the District at a meeting on March 11, 2026, 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 as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that upon vote taken on the Resolution at said meeting, the following

Board Members voted in favor thereof: Carl Peters, Carlotta Hecker, Brent Kober, Scot Bowen and Gary Forrester; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand officially this 11th day of March, 2026

Secretary

- VI. Scot Bowen moved to adopt Resolution No. 195 relating to \$2,250,000 Water System Revenue Bonds (DNRC Drinking Water State Revolving Loan Program), consisting of \$1,125,000 Subordinate Lien Taxable Series 2026C Bond and \$1,125,000 Series 2026D bond. Carlotta Hecker seconded the motion. Motion carried.

8. Discussion and approval of Amendment No. 4 to Task Order No. 20 of the Water Master Agreement relating to increased costs for the Johnson Lane Utility Modification.

Amendment No. 4 to Task Order No. 20 outlines several design changes made to the Task Order Agreement dated February 8, 2023 on the MDT Interchange Project. The nature of the amendment covers modifications to the services of Engineer; modifications to payment to Engineer; and Modifications to Time(s) for rendering Services.

Contract Ceiling will be raised for Amendment 4 by \$18,000.00. Task Order 20 is being billed as an Hourly Rate. Therefore, LWSD will only be billed for the actual effort required.

- VII. Scot Bowen moved to approve Morrison-Maierle Amendment No. 4 to Task Order No. 20 of the Water Master Agreement increasing the contract amount by \$18,000.00. Brent Kober seconded the motion. Motion carried.

9. Letter of Support for Lockwood TEDD infrastructure funding application.

The District was requested to provide a letter of support for the Lockwood /TEDD infrastructure. Lockwood/TEDD are submitting an application for funds to continue to build infrastructure into the TEDD. The project is estimated to cost approximately \$2 million. Gary Forrester stated he believed the letter should be addressed to Senators Deines, Sheehy and Downing. Manager Ariztia was directed by the Board to follow up on the question of where to direct the letter.

Old Business:

10. Phase 3 Sewer Project Update

The Opportunity Subdivision is close to completion. Those crews have moved over to the Lockwood Subdivision area, and have started installing sewer main on Wasco and are

working their way east towards Tillamack. The other crew has completed Krumheuer and the services on Krumheuer.

After reviewing the documentation, Morrison-Maierle determined that some of the items related to compaction and testing were not included in the bid. The contractor has been doing what is expected of them per the District's expectations, but they did not bid on extensive compaction testing, as it was left out of the contract. They still will do the testing and compaction. Negotiations will be ongoing between the contractor and the District.

11. Mid-Zone Tank Update

Most of the site work has been completed. The contractor has been working on trenching for the piping, the underdrain, the drainage, the overflow, the inlet/outlet and some of the service lines. There was more rock found than was on the Geotech report, and this has slowed progress.

Financial Reports

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

13. Approval of Bills due for Signature

VIII. Carlotta Hecker moved to pay the bills due for signature. Brent Kober seconded the motion. Motion carried.

Other Business: None.

Manager's Report:

14. Pumping Record

Water	February, 2025	29,668,359	February, 2026	22,694,429
Wastewater	January, 2025	3,400,500	January, 2026	4,901,900
Par MT	January, 2025	74,025,900	January, 2026	57,903,300
Wastewater				

Jill Cook announced Morrison-Maierle is hosting dinner on the 24th at 7:00, cocktails at 6:30, at the Rib and Chop House in connection with the Montana Rural Water Systems.

MCEP conducted a small audit of the tank project of Phase 3 Sewer and documentation connected with it. Also, Becky Anseth, head of the Department of Commerce, visited with Manager Ariztia regarding MCEP. There were no problems found.

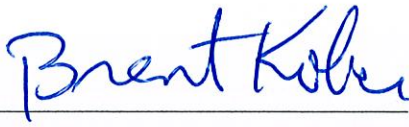
Adjournment:

- IX. Scot Bowen 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 8:30 p.m.



ATTEST



ATTEST