

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

April 8, 2026

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on April 8, 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 Richard Hoke, Lockwood Resident

Tony Gerharz, Lead Auditor from Wipfli, was present to report on the District Audit for 2025.

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. March 11, 2026**

The minutes of the March 11, 2026 Board meeting were presented for approval. Corrections were noted as follows:

Page 1 and 2; replace commas with periods at these amounts; \$45,000.00; \$642,486.48; \$10,971.31; \$631,515.17.

Page 7: First full paragraph, replace "they" with "Morrison-Maierle."

Page 7: Paragraph following Pumping Record, "Montana Rural Water Systems".

- I. Carlotta Hecker moved to approve the minutes of the 3/11/2026 meeting with corrections as set forth above. Scot Bowen seconded the motion. Motion carried.

New Business:

- 3. Review and approval of the LWSD 2025 Audit (Tony Gerharz with Wipfli).**

Mr. Gerharz reported that the 2025 District Audit showed no discrepancies. Lockwood Water and Sewer District is compliant with all federal and state accounting requirements. Wipfli's report is available at the LWSD office for public review.

- II. Gary Forrester moved to approve the Wipfli 2025 District Audit as presented with the provision that the Board may present questions at a later date. Carlotta Hecker seconded the motion. Motion carried.

4. Approval of Pay Application No. 5 to Askin Construction, for the Phase 3 Sewer Project

Askin Construction presented Pay Application No. 5 in the amount of \$339,599.77 for work performed from 2/28/2026 through 3/27/2026. State tax withheld was \$3,396.00; amount due Askin Construction, \$336,203.77.

- III. Scot Bowen moved to approve Pay Application No. 5 from Askin Construction for the Phase 3 Sewer Project in the amount of \$339,599.77, less State tax withheld, \$3,396.00; amount due Askin Construction \$336,203.77. Brent Kober seconded the motion. Motion carried.

5. Approval of Change Order No. 1 to the Mid-Zone Tank Project

Change Order No. 1 calls for additional compensation to Western Municipal Construction as hard sandstone rock was encountered 15' higher in elevation than the bore logs indicated, resulting in substantial completion increased by 20 calendar days and the increase in contract price of \$260,814.56.

- IV. Gary Forrester moved to approve Western Municipal Construction's Change Order No. 1 in the amount of \$260,814.56, and increase of 20 calendar days to substantial completion. Scot Bowen seconded the motion. Motion carried.

6. Approval of Change Order No. 2 to the Mid-Zone Tank Project

Western Municipal Construction's Change Order No. 2 states that as a result of rock excavation associated with Change Order No. 1, the water tank will not be backfilled in accordance with the original design. This will necessitate a new pole and the electrical service will have to be rerouted along the access road. The increase of this Change Order is \$56,525.34.

- V. Scot Bowen moved to approve Change Order No. 2 increasing the contract price by \$56,525.34 and allowing an additional 14 days to substantial completion. Carlotta Hecker seconded the Motion. Motion carried.

7. Approval of Pay Application No. 3 to Western Municipal Construction for the Mid-Zone Water Storage Tank Project

Western Municipal Construction presented Pay Application No. 3 for services to the Mid-Zone Water Storage Tank Project from 3/1/26 to 3/31/26 in the amount of \$400,831.97, less 1% state gross receipt tax in the amount of \$4,008.31; amount due to Western Municipal Corporation \$396,822.76.

VI. Scot Bowen moved to approve Western Municipal Construction application for Payment No. 3 in the amount of \$400,831.97, less State tax, \$4,008.31, amount due Western Municipal Corporation, \$396,822.76. Carlotta Hecker seconded the motion. Motion carried.

8. Discussion and possible motion to approve the Second Amendment to the Wastewater Service Agreement between the City of Billings and the Lockwood Water & Sewer District for the purpose of expanding the Original Service Area to include a single, 8.46 AC parcel identified by Tax Code D06438, Legal Description S19, T01 N, R27E, C.O.S. 2928, PARCEL 1 (07), located on North Frontage Road, East of Johnson Lane

The Second Amendment to the Agreement between LWSD and the City of Billings provides that "The Original Service Area is further expanded to include a single commercial, 8.46 AC parcel identified by Tax Code D06438, Legal Description S19, T01, R27 E, C.O.S. 2928, PARCEL 1, (07), located on North Frontage Road, East of Johnson Lane."

The current, original Agreement remains in full force and effect, except as expressly amended by the First and Second Amendments to the Wastewater Service Agreement.

The City Council approved the agreement and the owner signed an agreement that all municipal water extension ordinances and rules in place at the time of the extension will be adhered to, including all rules pertaining to annexation.

VII. Brent Kober moved to approve the Second Amendment to Wastewater Service Agreement between LWSD and the City of Billings expanding the boundary of the 8.46 AC parcel identified by Tax Code D06438. Gary Forrester seconded the motion. Motion carried.

Old Business:

9. Phase 3 Sewer Project Update

Stephanie Seymanski reported that Askin Construction is working in Lockwood Subdivision installing sewer. They have a crew in Emerald Hills Westgate Subdivision in the alley and will be doing the alleys in Emerald Hills Westgate. Askin then will move and start at Wade Street up to Driftwood, down Driftwood to Palomino, and then down Noblewood. (Stephanie and Manager Ariztia illustrated on map).

A meeting was held by Manager Ariztia, Morrison-Maierle, Carl Peters and Gary Forrester to discuss the matter of the omission of compaction testing in the bid package and possible alternative options. Askin is presently doing compaction testing. The

question is the amount of compaction required and the cost involved, which is \$42 a test. This matter will be presented at the next Board meeting for further action.

10. Mid-Zone Tank Update

The site is prepped. The tank manufacturer is coming in earlier and should be here by April 20th to start building the tank.

Financial Reports

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

12. 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: None.

Manager's Report:

13. Pumping Record

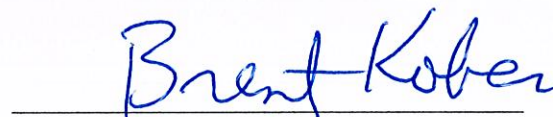
Water	March, 2025	31,805,948	March, 2026	24,318,105
Wastewater	February, 2025	4,120,000	February, 2026	4,118,800
Par MT Wastewater	February, 2025	57,886,000	February, 2026	62,017,400

Adjournment:

IX. Scot Bowen moved to adjourn. Carlotta Hecker 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