MINUTES OF REGULAR MEETING

OF BOARD OF DIRECTORS OF LOCKWOOD

WATER AND SEWER DISTRICT

August 12, 2026

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on August 12, 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, Brent Kober, Carlotta Hecker, Scot Bowen, and Gary Forrester. LWSD Manager Mike Ariztia, Assistant Manager Tony Reed, Engineer 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. July 8, 2026

The minutes of the July 8, 2026 Board meeting were presented for approval. There were no corrections.

I. Carlotta Hecker moved to approve the July 8, 2026 minutes as written. Scot Bowen seconded the motion. Motion carried.

New Business:

3. Approval of Pay Application No. 9 to Askin Construction, for the Phase 3 Sewer Project.

Askin Construction presented Pay Application No. 9 for work performed 6/27/26 through 7/31/26 on the Phase 3 Sewer Project, in the amount of $1,177, 541.61, consisting of Sewer work $747,003.55, Water work $430,538.06 and less 1% State gross receipt tax withheld, $12,431.57. The amount due Askin Construction, $1,165,110.04.

II. Brent Kober moved to approve Askin Construction's Pay Application No. 9 for the Phase 3 Sewer project in the amount of $1,177,541.61, consisting of Sewer work, $747,003.55, Water work, $430,538.06, less 1% State gross receipt tax withheld, $12,431/57. The amount due Askin Construction, $1,165,110.04. Scot Bowen seconded the motion. Motion carried.

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

Western Municipal Construction presented Pay Application No. 7 in the amount of $430,390.24, for work performed from 7/1/26 through 7/31/26, on the Mid-Zone Water Storage Project; less 1% State gross receipts tax withheld, $4,303.90. Amount due Western Municipal Construction $426,086.34.

III. Gary Forrester moved to approve Western Municipal Construction's Pay Application No. 7 on the Mid-Zone Water Storage Project, in the amount of $430,390.24; less 1% State gross receipts tax in the amount of $4,303.90; amount due Western Municipal Construction $426,086.34. Scot Bowen seconded the motion. Motion carried.

5. Approval of Amendment 5 to Task Order 20 for the 2025 Johnson Lane Interchange Utility Modifications Project

Amendment 5 to Task Order 20 is modified as follows: Ongoing design updates from MDT and DOWL requiring review, coordination, drawing and specification updates beyond what was anticipated in Amendment 4. This amendment covers additional efforts between March-July 2026.

Assumptions provide that the design is now complete and no further design services are anticipated. Bidding and contract support will be provided up to 24 hours total (included in Amendment 4). A separate Task Order will be prepared for Construction Administrative Services.

For the additional services or the modification services set forth above, the Contract Ceiling will be raised for Amendment 5 by $8,000.00, to be billed as an hourly rate.

IV. Gary Forrester moved to approve Amendment No. 5 to Task Order No. 20 covering the 2025 Johnson Lane Interchange Utility Modifications Project, increasing the contract ceiling by $8,000.00, which will be billed on an hourly rate. Brent Kober seconded the motion. Motion carried.

6. Approval of Petition for Inclusion into Water District #1 and Sewer Service District #1 from Kai Walker at 3885 Trailmaster Drive Emerald Hills Westgate Sub 2nd, S29, T01 N. R27 E, Block 4, Lot 12

Pursuant to Petition of Kai Walker dated August 4, 2026, the Board discussed the request for inclusion into Water District #1 and Sewer Service District #1, of property located at 3885 Trailmaster Drive Emerald Hills Westgate Sub 2nd, S29, T01 N. R27 E, Block 4, Lot 12.

V. Brent Kober moved to approve the Petition of Kai Walker for inclusion in Water District #1 and Sewer District #1 for property described as 3885 Trailmaster Drive Emerald Hills Westgate Sub 2nd, S29, T01 N. R27 E, Block 4, Lot 12. Scot Bowen seconded the motion. Motion carried.

7. Discussion and possible motion regarding annual wage increases for fiscal year 2027

Annual wage increase consumer price index percentages were presented to the Board for review and discussion. After discussion, the Board agreed that the fair 2027 wage increase will be 4.5%.

VI. Scot Bowen moved to set the 2027 wage increase at 4.5%. Gary Forrester seconded the motion. Motion carried.

8. Discussion and possible motion regarding annual pay scale adjustments

Manager Ariztia reported that the annual pay scale adjustment is not a raise to the individual employee, but it would automatically increase the bottom and the top end of those pay scales to whatever the consumer price index is. The bottom and the top levels of those ranges are raised to adjust for inflation. There is no impact to the budget at that point, but it keeps the pay scale ranges in line over the year within the Western Region. There is no financial impact, the range will adjust with the CPI.

VII. Scot Bowen moved that the annual pay scale adjustment, be adjusted with the Consumer Price Index for the Western Region. Brent Kober seconded the motion. Motion carried.

9. Discussion and possible motion regarding Stand-by Pay (on-call pay)

Manager Ariztia advised that due to the nature of the district's operations, it is necessary to have personnel available on a 24-hour basis. Non-exempt employees will be assigned to Standby duty on a rotating basis as determined by the District Manager.

After further discussion, it was decided to table this matter until the next meeting to obtain further information on whatever financial and legal effect it would have to the district.

Old Business;

10. Phase 3 Sewer Project Update

One Askin crew is off Old Hardin Road. That crew is working west up Noblewood Drive to tie into the manhole that was originally installed. There is one Askin crew working on Tigard. When Tigard is complete, Askin will come down Omaha through the two alleyways off of Tillamack, and they will be done with sewer.

The Askin water crew should finish off Wasco within the week. After Wasco is complete, Askin will install a valve at Omaha and work up Tigard, then up towards Tillamack. The sewer will be completed by the end of the month, and they will be close to being done with water.

Paving is hopefully starting the end of August, beginning of September. By the end of the month Lockwood Subdivision will be finished with utilities and they will be paving in that section.

11. Mid-Zone Tank Update:

The electricians have been working with the electrical and installing the paint mixer. Western Municipal has been doing some of the underground piping. The outlet structure has been poured. There is a lot of grading work to be done, fencing, filling the tank, chlorinating, and getting controls in place to operate the tank.

12. Financial Reports: The monthly balance sheets were discussed by the Board along with any questions they had on invoices, P&L Budget Comparisons, and the Yellowstone County Trial Balance Summary.

13. Approval of Bills due for Signature:

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

Other Business: None.

Manager's Report:

14. Pumping Record

Water	July, 2025	53,347,521	July, 2026	49,133,527
Wastewater	June, 2025	5,135,000	June, 2026	5,324,400
Par MT Wastewater	June, 2025	29,879,000	June, 2026	63,618,200

The Board can pick a time for its tour of the PAR Montana plant the week of October 12 through October 16 at 9 or 11 a.m.

Gary Forrester raised the question of the district's protective measures regarding hacking. Manager Ariztia advised nobody is 100% protected from intrusion, but there have been security improvements made to the Scada system the last year. Different log-in procedures were implemented, additional new hardware was installed into the system, which identifies and blocks intruders from getting into the system. The district is currently in compliance with all the EPA requirements, plus the additional features that have been added.

Adjournment:

IX. 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 8:10 p.m.

Carlotta Hecker

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