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

September 9, 2026

Call to Order:

The regular monthly meeting of the Lockwood Water and Sewer Board of Directors was held on September 9, 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, and Engineer Stephanie Seymanski of Morrison-Maierle, Inc., 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. August 12, 2026

The minutes of the August 12, 2026 Board meeting were presented for approval. There were no corrections.

I. Scot Bowen moved to approve the August 12, 2026 minutes as written. Brent Kober seconded the motion. Motion carried.

New Business:

3. **Approval of Pay Application No. 10 to Askin Construction, for the Phase 3 Sewer Project.**

Askin Construction presented Pay Application No. 10 for work performed August 1 through August 28, 2026 on the Phase 3 Sewer Project in the amount of $847,024.25, consisting of Sewer $497,903.92, Water $349,120.33, and State 1% tax $8,470,24; balance to Askin, $838,554.01.

II. Gary Forrester moved to approve Askin Construction's Pay Application No. 10 for the Phase 3 Sewer Project in the amount of $847,024.25, consisting of Sewer $497,903.92, Water $349,120.33, and State 1% tax $8,470,24; balance to Askin, $838,554.01. Scot Bowen seconded the motion. Motion carried.

4. Approval of Pay Application No. 8 to Western Municipal Construction for the Mid-Zone Water Storage Tank Project.

Western Municipal Construction presented Pay Application No. 8 consisting of $142,188.92, 1% State Tax, $1,421.89; balance to Western Municipal, $140,767.03. This project is near completion.

III. Gary Forrester moved to approve Western Municipal Construction Pay Application No. 8 in the amount of $142,188.92, 1% State Tax $1,421.89, balance to Western Municipal Construction $140,767.03. Carlotta Hecker seconded the motion. Motion carried.

5. Ordinance No. 2026-2 granting the Petition of Kai Walker (August 4, 2026) to include lands outside the existing Water District Boundary into the Water District Boundary and into Water District No. 1. The property description is 3885 Trailmaster Dr. EMERALD HILLS WESTGATE SUB 2ND, S29, T01 N. R27 E.BLOCK 4, LOT 12 (Tax ID C07335)

The following Certificate as to Ordinance and Adopting Vote was entered into pursuant to the Petition of Kai Walker, covering property as set forth above.

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 Kai Walker (August 4, 2026), to include lands into the Water District Boundary and into Water District No. 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 September 9, 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 given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

I further 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 and Gary Forrester; voted against the same: None; Abstained from voting thereon: None; or were absent; None.

WITNESS my hand and seal officially this 9th day of September, 2026.

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Secretary/Treasurer/LWSD

Notary Block: Carl Peters and Carlotta Hecker

IV. Brent Kober moved to accept Ordinance 2026-2 into the record as the Petition of Kai Walker (August 4, 2026) to include lands outside the existing Water District Boundary into the Water District Boundary and into Water District No. 1. The property description is 3885 Trailmaster Dr. EMERALD HILLS WESTGATE SUB 2ND, S29, T01 N. R27 E.BLOCK 4, LOT 12 (Tax ID C07335). Scot Bowen seconded the motion. Motion carried.
(Ordinance 2026-2 Attached)

6. Discussion and possible motion regarding Standby Pay (On-Call Pay)

Manager Ariztia advised the Board that it is necessary to have personnel available on a 24-hour basis due to the nature of LWSD's business. The standby period is from 5:01 p.m. on Wednesday to 8:00 a.m. the next Wednesday. Employees will be assigned to Standby (On-Call) duty on a rotating basis as determined by Manager Ariztia.

The rate of pay for the standby period will be $2.00 per hour, and will be included as a flat rate in the pay period which the standby schedule was concluded. Total yearly cost to the district would be $36,169.83, which includes Wages, PERS, Standby, and Work Comp.

V. Scot Bowen moved to accept the Standby (On-Call) pay rate at $2.00 per hour, totaling $36,169.83 yearly, which includes Wages, Pers, Standby, and Work Comp. Brent Kober seconded the motion. Motion carried.

A further discussion was held regarding the starting date for the Standby Pay. The Board decided the starting date should be September 9, 2026.

VI. Brent Kober moved to set the starting date for Standby Pay as September 9, 2026. Scot Bowen seconded the motion. Motion carried.

Old Business:

7. Phase 3 Sewer Project Update.

Stephanie Seymanski reported that Askin Construction's Schedule 1A is largely done. There are two sewer crews that are working in the McIntosh subdivision area which is the Schedule 1E area. They have a crew installing services and are looking to begin prepping for

paving. The water line crew is anticipating wrapping up in a couple of weeks in Schedule 2. Schedule 1A and Schedule 2 are done. Askin can ask for a partial substantial completion for those two schedules.

Manager Ariztia advised the contractor is still planning on starting paving within the next couple weeks. They are doing some prep work on Noblewood, and clean-up of the roads in the Lockwood Subdivision.

On Monday, Manager Ariztia received a call from Travis at Morrison-Maierle advising there was a sink hole developed over on the corner of John Drive and McIntosh. A truck's fifth wheel trailer had dropped into the sink hole. It was determined to be a water break on the watermain intersection that caused the sink hole. They were able to isolate the leak without causing any harm to water users. The repair was made on Monday morning.

8. Mid-Zone Tank Update

Manager Ariztia reported the Mid-Zone tank is close to being complete. There are some rough areas that he would like smoothed out. The coating on the tank itself isn't uniform. The project is on line and in operation. The tank holds 330,000 gallons. There will be security fencing and cameras around the tank.

Financial Reports:

9. Reports are not available at this time. The front office person was out.

10. Approval of Bills due for Signature:

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

Other Business: None.

Manager's Report:

11. Pumping Record

Water	August 2025	$54,513,753	August 2026	$44,972,565
Wastewater	July 2025	$5,983,000	July 2026	$5,809,000
Par Montana Wastewater	July 2025	$13,812,000	July 2026	$77,048,800

Manager Ariztia reported that the Johnson Interchange project went out to bid. Riverside Contracting won the bid. Notice to proceed should be at the end of October. COP Construction will be the subcontractor for Riverside to do the underground utilities.

VIII. 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 7:45 p.m.

ATTEST

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