COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

December 20th, 2023 at 6:00 PM

County Water District of Billings Heights 1540 Popelka Dr., Board room

---

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested from the General Manager and are available at https://heightswaterdistrict.com/agendas-and-minutes. Agenda packets, due to their size, will not be printed off for the meetings or at the publics request. The public can access and view the agenda packet on line and can download them or print them at their own expense.

CALL MEETING TO ORDER: President Doug Kary called the meeting to order at 6:00 PM

WELCOME AND INTRODUCTIONS

Board Members present: Laura Drager, Doug Kary, Frank Ewalt, Tom Zurbuchen, Ming Caberera, Jeff Essmann,

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Butch and Judy Bailey, Pam Ellis, and Evelyn Pyburn (YCN)

PRESIDENT'S REMARKS: Read by Doug Kary

During the course of the meeting, the Public may be heard before a vote is cast by the Board. The President will acknowledge the Public once the motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hands. Once recognized, the speaker should move to the side of the board table so comments can be heard, identify themselves by name, and limit their comments to two minutes. Each speaker will have one opportunity to speak on any agenda item. Once the public comment period is over the public may not provide further comment or ask additional questions during the remainder of the agenda item discussion, unless specifically requested by the chair or presiding officer of the meeting.

PUBLIC COMMENT on Non-Public Hearing Agenda Items: Read by Doug Kary

A. Any member of the public may be heard on any subject that is not on the agenda;
B. The board will not take action on these items at this time but may choose to add the item to the agenda for the next scheduled board meeting.

December 20th, 2023 6:00 PM

PUBLIC COMMENT:

Butch said that the Board needs to take care of the guys that work out in the field. He also asks where the Board is at with the labor agreement.

Laura said they are making a proposal this evening.

Butch made a few additional comments regarding the pay raise.

Pam has concerns about the ARPA documentation. She said that Josh claimed in a prior board meeting that there was $100,000 left from the grant money. She has asked for copies of documents of what was turned into the state and copies of the bills and she did not get them. She thinks that someone other than Interstate Engineering should look at the books.

Doug asks to remove agenda Item #3 (Dates for 2024 Board Meetings) from New Business.

No objection.

MINUTES:

Laura makes a motion to approve the minutes for the September and November meetings. Frank seconds.

Tom mentions that the minutes weren't posted at the proper time. He asks to suspend the rule for tonight. Laura seconds.

Jeff says since those same rules say that any actions the board takes are self-healing, he doesn't feel that the rules need to be suspended.

More discussion was had regarding the necessity of suspending the rule.

Motion and Vote:

Tom mentions that the minutes weren't posted at the proper time. He asks to suspend the rule for tonight. Laura seconds. Laura, Tom For. Jeff, Frank, Doug, Ming Against.

Motion and Vote:

Laura makes a motion to approve the minutes for the September and November meetings. Frank seconds. Jeff, Frank, Doug, Ming, Laura For. Tom Against

CONSENT AGENDA:

Item #1 Monthly Prepaid bills for approval, Item #2 November payables, Item #3 Bank Balances and Financial statements.

Laura makes a motion to approve the consent agenda. Ming seconds.

Public Comment:

Pam: The bill for repairing the break on Main Street was from Western Municipal, shouldn't that be the responsibility of TDS?

Josh said no the one on Main Street wasn't CEC or TDS it was just a break.

Motion and Vote:

Laura makes a motion to approve the consent agenda. Ming seconds. Jeff, Frank, Doug, Ming, Laura For. Tom Against

MANAGERS REPORT: presented by Josh (Acting General Manager)

Josh contacted Stephen Knudson with Stifel he will be at the work session on January 3rd to answer Board questions on the investments. He also noted that there is a $150,000 CD which matured on December 13th into the smart rate that is currently paying 5% and is FDIC insured.

He spoke with Morrison-Maierle about the emails for Board members and staff. Jessie will be down on December 29th to get all of the information for all of the staff's transfers. He will work on the transfer over the weekend and have the emails up and running by the beginning of the year.

We received a bid on a storage shed for salt storage at the chlorination booster station. This is all part of the ARPA grant use; the bid was from SBarS for a total including delivery of $7647 for an 8ft by 12ft shed. We are working on getting a couple more quotes when we do, he will let the Board know.

CEC hit a main on Yellowstone River Road. They dug it we repaired and are sending them an invoice.

Not much has changed with Interstate Engineering since the work session.

PER progress meeting on the 30th of November. The environmental letters were sent to agencies on November 27th to ask for their comments on the design. Water model calibration is still in progress and writing on the PER report has begun.

We had an account who has a credit of $1153.48. This customer has not received a bill for the last 6 years and has been overpaying on his account since 2016. He is a landlord and the bill has been going to the service address. He did ask for an address change back in 2017-18 but it did not get fixed so he decided it was easier to pay $40 a month instead of fighting with the address change. He would like his money to be refunded to him. Josh informed him that is not our policy and he asked that we take it to the Board for approval.

Jeff makes a motion to refund $1000 for this customer. Frank seconds. Motion failed.

Ming makes a motion to pay the full refund of $1153.48. Tom seconds.

Public Comment:

Pam agreed with Ming to pay the customer in full.

Motion and Vote:

Ming makes a motion to pay the full refund of $1153.48. Tom seconds. Laura, Ming, Tom, Jeff For. Doug, Frank Against.

The last thing Josh had on his list was ways to shorten the agenda packet.

Laura said that one way we could shorten the agenda packet would be to not put the individual bank statements in the packet.

Frank says we don't need all of the Stifel statements in the packet as well.

TREASURES REPORT:

Laura explained Gross Income account is $1. Service charge $711.96. Sweep account $777,112.36. Payroll account. $242,769.63 First Interstate Savings account $256,449.59. Earned $578.34 Yellowstone Bank Savings account $219,584.53. Stifel investments $6,495,766.72. Total cash position $7,991,683.83. Change to cash position $161,024.02

Motion and Vote:

Tom makes a motion to approve Laura's report. Franks seconds. All approved

COMMITTEE REPORTS:

The finance committee met to discuss several things. The first was the worker's comp refund which the committee recommends refunding the $1597.58 back to the employee of $200 rounded up. The Christmas bonus of $150 was also discussed. Lastly a pay increase of $1 per hour or 3% if the dollar per hour is less than 3% for each employee.

The AWWA recommendation has been used across the district as far as salary guides. The former General Managers attempted to meet a mid-range average salary rather than the minimum or the maximum. The jobs our staff members perform are above and beyond what most water operators perform. Laura would like our payroll to meet that mid-range for our staff.

Further discussion was had regarding employee compensation.

Public Comment:

Butch asks about the mode factor of the workman's comp?

Servicemen 2.49 Clerical .19

OLD BUSINESS:

Item #1 Approval of 2022-2023 financial audit

Laura makes a motion to approve the 22-23 financial audit. Tom seconds.

Public Comment:

Pam said the audit was available for the public to read until Friday. She thinks there are still a lot of errors in it. The Capital assets are exactly the same from the year prior. No appreciation or depreciation. She talks about the 6% interest for the deposits that were

not paid out. The minimum water rates vary from $22.04 to $168.23 per gallon. The audit also mentions rate increases in response to increases from the supplier. There were no increases from the supplier.

Tom explains that 6% came back every year on your bill.

Doug says on page 3 that the 22.04 per gallon is a typo.

Jeff asks to amend the motion to approve the audit with corrections to the errors noted. Tom seconds.

Jeff makes a point to explain that small things can make a large difference. Like the building that fell down due to an error in paperwork.

Public Comment:

Butch agrees with Jeff about the gross negligence with regard to the building error.

Motion and Vote:

Jeff asks to amend the motion to approve the audit with corrections to the errors noted. Tom seconds. All Approved

Laura makes a motion to approve the 22-23 financial audit. Tom seconds. All Approved.

Item #2 Bylaws Second Reading:

Jeff moves for the adoption of the proposed by-laws having met the second meeting requirement. Frank seconds.

Tom said we paid two lawyers back in 2021 to work on these bylaws both of the lawyers were adamant that they didn't want to copy and paste the state law language in the by-laws because those laws can be changed at any time. This would force the district to have to go through this process of amending the bylaws on a regular basis. These bylaws require that it follows Robert's Rules of Order.

Doug points out that we are not following Robert's Rules of Order to a T. That we would be following state law. All of these issues were brought up at the work session when discussing changes to the by-laws.

Further discussion was had regarding the changes to the by-laws.

Motion and Vote:

Jeff moves for the adoption of the proposed by-laws having met the second meeting requirement. Frank seconds. Jeff, Frank, Doug, Laura For. Tom and Ming Against.

Item #3 Proposal for the District Employee Wage Increase:

Laura makes a motion for a $1 per hour increase for each of the employees or 3% whichever is higher. Tom seconds.

Tom expresses his concerns with the lower pay scale and entry-level workers. He says that no matter what the lower pay scale or entry-level workers all always behind.

Jeff says that the 3% seems a little on the skinny side in terms of staying even.

Josh tells the Board what his recommendation is after talking to the crew. He recommends a 6% raise which is 3% per year since the crew hasn't gotten a raise since July of 2022. He also said that if the Board was going to go with the dollar raise to retro the pay back to July 1st of 2023. He would also like to set annual reviews for August.

Laura said she would entertain Josh's proposal for 6%.

Frank speaks about the benefits and the rate increases.

Jeff makes a substitute motion of 4% or $1.25 per hour. Ming seconds.

Tom said the benefits mean a lot. Benefits aren't deducted from annual wages. We have an excellent package; the employees keep their pay.

Ming talks about the health insurance benefits and the ability to go to whatever doctor the employee wants.

Laura explained that she looked into other water districts around the state and what their benefits were. We were in line with the benefit package and what they were doing as well. The employee told her that you can't buy bread and milk with health insurance.

Josh expressed that we are a small shop with only eight employees taking care of over 6000 connections. Taking care of this small group of employees shouldn't be that big of a deal.

Public Comment:

Butch said that he was one of those employees who did pay for all his employee benefits as well as having a comparable wage rate.

Motion and Vote:

Jeff makes a substitute motion of 4% or $1.25 per hour. Ming seconds. Laura, Ming, Doug For. Tom, Frank, Jeff Against. Dies on a Tye

Jeff makes a motion for 4% or a dollar per hour whichever is greater. Frank seconds.

Franks says this makes it a little more even across the board. This way everyone is closer together.

Motion and Vote:

Jeff makes a motion for 4% or a dollar per hour whichever is greater. Frank seconds. All Approved

Item #4 Guardian Renewal

Laura makes a motion to approve the renewal of the Guardian insurance. Tom seconds.

Jeff asks if this is a contract subject to early termination or if are we stuck with this for a year.

Laura said this would be for a year.

More discussion was had regarding timing and/or cancelation ability.

Public Comment:

Butch asks if it is a group insurance.

Laura said it is through Guardian Insurance.

Motion and Vote:

Laura makes a motion to approve the renewal of the Guardian insurance. Tom seconds. All Approved

NEW BUSINESS:

Item #1 Resolution on Ahoy Repairs

Laura makes a motion to approve the resolution for the Ahoy repair. Tom seconds

Tom said the resolution is clear that the Board rejects all the bills for the excess sidewalk repairs.

Discussion was had regarding policy going forward for future repairs.

Motion and Vote:

Laura makes a motion to approve the resolution for the Ahoy repair. Tom seconds. All Approved

Item #2 Employee Christmas Bonus

Laura requested approval of the $200 workers comp as well as the $150 Christmas bonus. Ming seconds

Jeff expresses his concerns about the state's premium and how they are not doing us any favors by giving us back our money.

Tom said the employee didn't pay it, the district did. The refund should come back to the district.

Tom makes a substitute motion for a Christmas bonus of $150. Frank seconds.

Frank agrees with Tom that a lot of times the refund is the next year's first payment.

Laura said the staff views this as a reward for working safely.

Ming agrees with Laura.

Public Comment:

Butch defends the $200 bonuses. He said that you should be rewarding them for what they have already done not what you think they are going to do.

Motion and Vote:

Tom makes a substitute motion for a Christmas bonus of $150. Frank seconds. Doug, Tom, Frank, For. Laura, Ming, Jeff Against.

Jeff makes a substitute motion of $250 plus 50% of the worker's comp totaling $350. No second.

Laura makes a substitute motion for a Christmas bonus of $350. Ming seconds.

Doug says he wouldn't vote for a Christmas bonus of 350 dollars.

Tom says there isn't anything in the policy manual that says the employees get a Christmas bonus.

Josh said it was not a policy it had just been an act of kindness done by the Board in years passed.

Laura withdraws her last motion and asks that they go back to her original motion.

Jeff says change is necessary

Motion and Vote:

Laura requested approval of the $200 workers comp as well as the $150 Christmas bonus. Ming seconds. All approved.

Work session Wednesday, January 3rd @ 9:00 AM

Next Board meeting Wednesday, January 17th @ 6:00 PM

Meeting adjourned @ 8:17 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary