



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

January 17th, 2024 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 public's 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: Doug Kary, Frank Ewalt, Tom Zurbuchen, Ming Caberera, Jeff Essmann & Laura Drager (On Zoom)

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Butch and Judy Bailey, Mike Macki, 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.

January 17th, 2024 6:01 PM

Laura was delayed on Zoom

PUBLIC COMMENT:

Pam comments that the minutes should reflect when Laura joined the meeting.

MINUTES:

Motion and Vote:

Frank moves to approve the minutes from the December meeting. Tom seconds. All approved
No discussion was had on this topic.

CONSENT AGENDA:

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

Laura Joined the Meeting at 6:06 pm

Tom asks what are the December payables.

Josh says there is a typo on the agenda and that the December payables were the items that were sent.

Public Comment:

Pam said she thought that both Susan Swimley and the Interstate Engineering bills were supposed to be in the packet.

Motion and Vote:

Tom makes a motion to approve the consent agenda. Ming seconds. All approved

Bills payable:

Motion and Vote:

Tom moves to pay the Susan Swimley bill for \$75. Laura seconds. All approved

No discussion was had on this topic.

MANAGERS REPORT: presented by Josh (Acting General Manager)

Email Ming and Jeff are not up and running yet.

Jeff said he would move it to the top of his list.

Interstate PER update. Josh and Clay went to their office, and Josh sent out the update for that to the Board members.

Frank asks what PER stands for.

Professional Engineering Report

Josh said it is a requirement with the EPA to be able to get grants approved.

We have two PER one for Task order 29 and the other for Task Order 28.

Jeff asks that the report include the anticipated date of delivery.

Tom agrees with Jeff, Task Order 28 should have been done last November and Task Order 29 should be done in May.

Josh recommends that the Board schedule a work session with Interstate Engineering.

Jeff agrees with Josh that they should sit down with Interstate.

Ming asks when the last time Lowell was here. He recommends having them at a Board meeting so that the public could ask questions as well.

Josh moves on: We got the right of entry back from the Dover Ranch. He asks the board what direction they want to move with that. Josh also explains that this is the reason the Task Order 28 is taking so long.

Ming would like to go ahead and sign that and go ahead with the project.

Josh said they met with the City and they discussed an Attorney General's opinion regarding the district having to pay for the street opening permits. The City did let the District know that they have had another billing issue. They estimate about 23 million gallons short which equals \$68, 310. We haven't heard back from them regarding the bill.

Tom asks about the billing error.

Doug says it was a meter error, not a billing error.

Laura asks to add this topic to the next work session.

Josh talked with Steve at Stifel about adding additional signers to the account. They do have a third-party form with will allow for Doug and/or Laura to call and ask questions and do anything with the account except take action. Steve said this would allow for checks and balances.

Laura asks if the authorization is different than what she had before.

Josh said yes this is correct.

She has concerns about taking action in a timely manner. She thinks there should be someone from the Board who can take action.

Frank says that the manager and one person on the Board should be the signers.

Ming says he thinks one member of the Board should be a signer.

More discussion was had regarding Stifel.

Josh explains the quote for the tank ladder rebuild for \$9,750. He would like this to come from the ARPA grant. This has to be done one way or the other because it is a safety issue. The latch on the ladder that blocks people from climbing up has broken some of the aluminum welds.

Frank asks if it's covered under warranty.

Josh said no we are out of that.

Josh would like to remind the Board to get with Raftelis about the City's incoming rate increase. This was talked about last year, having Raftelis review the new rates from the City.

Lastly, Josh explains the double Board payment in December. It is so that the taxes can be finished for the year. Funds are paid in the year services are rendered.

Some discussion was had to clarify this and an offer to pay the Friday after each month's meeting was mentioned.

Doug said we could go ahead and pay the Friday after each month's meeting.

Jeff asked Josh if there was feedback negative or positive on the new rates.

Josh said there were a few calls but no big outcry.

TREASURES REPORT:

Laura explained Gross Income account is \$1. Service charge \$706.93. Sweep account \$625,189.48. Payroll account. \$218,728.36 First Interstate Savings account \$257,009.91. Earned \$560.32 Yellowstone Bank Savings account \$219,584.53. Stifel investments \$6,549,694.57. Total cash position \$7,870,207.85. Change to cash position \$-121,475.98 Change in cash position for the year of \$615,737.22.

Jeff thanks Laura for all the time and energy she puts into her report.

COMMITTEE REPORTS:

Laura talks about the meeting with the city. During their discussion with the City, they have worked toward an agreement on how we can work together. There has been some discussion on the City's point of view and what they would like to see. One thing they would like to see is annexation into the city another is to renegotiate our contract so there is an end date to the contract. They would also like to limit the amount of water we

can purchase. One of the things we asked for is a defined boundary that would be respected. They said there are no boundary lines, it's whoever gets there first. They are not currently recognizing the District territory which has been in place for at least 40 years. If we did annex into the City boundaries the residents wouldn't be able to protest.

Tom talks about the opinion of the Attorney General regarding the permit fees. He asks what we do, is the District now required to file for these permits?

Josh said there was no answer to that when they asked that question. He's not sure if they are planning on back-billing for the digs we did or not.

Ming said it would be about \$2000 that they could back bill on that.

Doug said in the Attorney General's opinion Municipalities retain the right to require permits from the water district which contracts with the City for water, or excavation of city water lines, in City streets, and right of ways. The letter has many errors so it is unclear.

Tom said that according to the City Administrator that the City will be providing water to the Dover Ranch area.

Josh said he made it clear that Dover Ranch was in our service area boundary. The City said they didn't know of the boundary line until the District and the City started having the meeting.

OLD BUSINESS:

Item #1 (Review of Task Order 28)

Jeff reads the resolution for the suspension of the Northwest Transmission Main.

Jeff makes a motion to approve resolution 1-24 Suspending the Northwest Transmission Main. Frank seconds.

Josh explains that part of the Task Order for this project is investigating alternative methods of serving the Lake Hills area. So, by stopping the engineer on Task Order 28 you are also stopping the investigation into those alternative means. When we met with Interstate, they were aware that the goal of the District is to look into those other methods. They have reached out to the City and are trying to set up a meeting to go over what an additional tie-in would look like what their hydraulic model says they can push and what ours says we can push. It's all stuff that is being done; we are just in the beginning stages.

Frank says we aren't stopping Task Order 28 this is says stopping work on the Northwest Transmission Line until some of these other alternatives can be researched which are also part of Task Order 28.

Josh said right now there isn't a whole lot we can do on the Northwest Transmission Main anyway, because of this they have shifted focus on the addition methods until the weather clears.

Frank said with it being \$2000 per customer when amortized over 20 years it will cost \$11.09 added to everyone's bill and if you spread it out to 30 years it ups everyone's bill by \$8.33.

Laura says she appreciates that Frank has done some work and that Jeff has figured it will be about \$2000 per customer. However, she believes that if the Transmission line were to proceed the district would gain a significant number of customers. The area of Dover Ranch that will be provided utilities is a very small portion of the overall acreage in the subdivision area. For us to stop moving forward with this is premature and second engineering seems to move fairly slowly we just got the right of access so she thinks that it is premature to stop it. It also sends a message to the City that we are willing to give up and it sends a message to the Dove Ranch people that were not interested and it sends a very clear message to our engineering firm that we really don't care what they think.

Ming agrees with Laura and reiterates that the City doesn't care about the boundaries and it comes down to whoever gets there first.

Doug amends the resolution to say all work to design and construct. Jeff seconds.

Frank said that the report from Interstate Engineering was not received in a timely manner to respond.

Josh suggests tabling this conversation until they have the work session with Interstate Engineering.

Laura said the letter wasn't addressed to the District or to the Board. It was addressed to the Yellowstone County Planning Board.

There was further discussion regarding this letter.

Public Comment:

Mike agrees with both sides, but he thinks the board needs to have a meeting with the engineers or they won't get anywhere.

Pam has concerns about Interstate, the district has spent \$434,404. It would be far cheaper to hire an engineer. She believes that we should stop with the excessive spending.

Motion and Vote:

Doug amends the resolution to say "all work to design and construct." Jeff seconds. Frank, Tom, Doug, and Jeff; For. Ming and Laura; Against. Motion Passed

Jeff makes a motion to approve amended resolution 1-24 Suspending the Northwest Transmission Main. Frank seconds. Frank, Doug, Jeff; For. Tom, Ming, and Laura Against. Motion Failed on a Tye

Doug moves to strike Item #2 (progress of the Board member email project). Laura seconds. All Approved

Item #3 (Bill printing format)

Laura talks about the bid we received for processing full-page paper bills for our customers. These bills will have more lines for what our customers are being billed for, It has an important message section, and it would be a bill format that is easier for our customers to read.

Frank speaks about the cost of the equipment for the in-house option. The city uses presort first class which is cheaper to mail.

Josh says in piggybacking off that, added to the packet was a quote from Peterson for the folder. This is a new printer/copier machine that he recommends approving the purchase of because our current machine is out of date. This will also include a new printer for Jenn's office because it is also on its last leg.

Doug asks how old the machine is.

Josh said 10 years or so.

Further discussion was had regarding the full-page paper bills.

Laura moves to table the bill process and mailing. No Second.

Laura makes a motion to purchase the Printer equipment that Josh and Jenn got bids on. Ming seconds.

Frank asks about the warranty for the equipment.

Laura asked if we got any other bids for this equipment.

Jenn said she tried but Western didn't have anything comparable.

Motion and Vote:

Laura moves to table the bill process and mailing. No Second. All Approved

Laura makes a motion to purchase the Printer equipment that Josh and Jenn got bids on. Ming seconds. All Approved.

Item #4 Update on hiring legal representation.

Laura recommends that we find a law firm and pay a retainer. Tom seconds.

Tom asks what all we are asking for of an attorney.

Laura said to provide legal advice.

Jeff thinks it's important to have legal counsel.

Ming says that's what we had before but then there was a lot of question every time we had a bill from an attorney. We need to have clarification if or when we need approval to speak with the attorney.

Motion and Vote:

Laura recommends that we find a law firm and pay a retainer. Tom seconds. All Approved

NEW BUSINESS:

Tom moves to strike Item #1 signatures on the Stifel account. No opposition.

Item #2 Signatures on the Randall & Hurley account

Motion and Vote:

Laura makes a motion that we update the Randall & Hurley with the chair's signature and the Secretary of the Board. Tom seconds. All Approved

Item #3 Request for Proposals for Manager Position

Ming makes a motion to start a search for a District manager both locally and nationwide. Tom seconds

Tom makes a substitute motion to advertise through the Yellowstone County News, American Water Works Association, Montana Rural Water, Indeed, Zip Recruiter, LinkedIn, and Job Services of Montana and that we hold the position open until filed and that we have a cut-off date of March 5th. Laura seconds.

Discussion was had regarding the cut-off date and the job description details.

Jeff amends the motion to remove the salary range from the description. No second.

Public Comment:

Pam said it's cheaper to advertise in AAWA if you are a member. Montana Rural Water Association will post for free. Indeed, and Zip Recruiter was not very good. State law says you only have to have one person with an operator's license we have plenty.

Laura said the most quality applications that came in were from LinkedIn.

Motion and Vote:

Tom makes a substitute motion to advertise through the Yellowstone County News, American Water Works Association, Montana Rural Water, Indeed, Zip Recruiter, LinkedIn, and Job Services of Montana and that we hold the position open until filed and that we have a cut-off date of March 5th. Laura seconds. All Approved

Jeff amends the motion to remove the salary range from the description. No second. All Approved

Item #4 Consolidation with the City of Billings.

Frank makes a motion to approve resolution 2-24 which is to initiate the exploration of the possibility of consolidating with the City and its impacts. Jeff seconds.

Tom said he would not support the motion because it makes the District do all of the work.

Frank asked Tom what changed from months ago when he was for it.

Ming and Laura both agree with Tom

Jeff said we have a chicken and the egg problem. We need to ask the voters first but we have no information for them when they ask the questions.

Public Comment:

Pam said that we need to move forward and the law says the District has to initiate.

Mike the Board needs to study this further because this will be a class action suit. He feels that the people have the right to vote. The City hasn't done a thing for us up here.

Jenn comments about hiring a General Manager while also trying to consolidate with the City of Billings and this said GM may or may not have a job when or if the consolidation happens. She says maybe we should get our ducks in a row before we work on consolidating.

Frank compares prices between the District and the City of Billings.

Ming says we don't know what the City is going to charge when they take us over. The people here at the Heights Water District make the place work. They work and know their customers. Compared to other places where he has property Heights water is cheap.

Josh says while you are talking about consolidating, what about going independent. When half the rate is going to the City, if we were able to be independent from the City, we could keep all of that revenue in-house. Wouldn't it make more sense to look at both sides of that coin?

Doug said the District should have always been working to grow its customer base. I don't see the District out there trying to encourage development. We haven't gone out and offered to extend our line to customers.

Josh asks in the hopes that development will happen?

Doug says the customer is going to be paying for it. The customer may want it, you don't know what the customer wants unless you talk to them.

Josh says he knows that Antelope Hills subdivision wants the water but they are out of our service area.

Frank says that what this is saying is just to investigate other options.

Frank withdraws his motion. Jeff withdraws his second.

Next Board meeting Wednesday, February 21st @ 6:00 PM

Meeting adjourned @ 8:38 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary



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February 21st, 2024 6:01 PM

PUBLIC COMMENT:

Pam Ellis: Hailey Grieves mentioned we had one employee making \$130,000 in salary and that was the General Manager. I couldn't find any evidence of it being approved in a public session. Was this approved by the board?

Doug said that was not a comment that was made by them.

Laura said this comment was in response to Laura's question which was about the 551 testing. Kaylee said we didn't have any employees making \$130,000.

Mike Macky: You cleared 6,900,000 last year. Is that right? Went up from 41 million to 48.5 million. You won't have extra revenue off of that? We aren't looking at improving the heights you are looking more at handing it over to Billings.

Doug said we are here to represent the ratepayers.

MINUTES:

Tom moves for approval of the minutes as presented. Ming seconds.

Frank asks about the no second on two of the motions one of which was fixed. He asked why the other was not fixed.

Doug said that there was a vote taken on one of them.

Further discussion was had regarding the no second on the minutes.

Motion and Vote:

Tom moves for approval of the minutes as presented. Ming seconds. All Approved

CONSENT AGENDA:

Tom moves for approval of the consent agenda. Laura seconds.

Franks asks for everyone to take notice on page 43 of the agenda packet. He goes on the explain where we are with our budget percentages.

Jeff asks about the engineering costs for the year. He asked if it was correct that we are over budget by almost \$50,000 for engineering. He asks Josh if he expects that to continue to rise.

Josh said some of that is carried over from when Peyton was doing the budget. Those amounts are broken out into each task order.

Jeff: so, the total for our year to date is \$589,969

Public comment:

Pam: Questioned why the amounts paid on the itemized breakdown and the amounts paid on the MasterCard bill were different.

Laura explains that is because those are from two different months. It's a timing thing.

Motion and Vote:

Tom moves for approval of the consent agenda. Laura seconds. All Approved

MANAGERS REPORT: presented by Josh (Acting General Manager)

Leak on St. Andrews which was a main line break. We were short-staffed at the time so Western was contacted to complete that repair. True North did the cold patch and will return in the spring to do the permanent patch. Western was up there again today to take care of any of the settlement issues.

On January 21st, which was a Sunday, we had a service line leak at 1113 Reece. The service broke at the curb stop so we had to go out and dig up in the driveway, and patch it. We will be back in the spring to do a new service line.

The Ixom spare parts that we ordered were received on January 26th. That was the invoice for \$35,000.

We continued work on the lead service line inventory. We received a grant that pays for 100 hours of Interstate Engineering's time to help with the lead service line. Rather than use them for data entry we met with them and are looking at ways of updating our GIS map system.

Frank asks if we have any lead service lines.

Josh said no we are just having to complete all of the required paperwork.

We received a quote from Summers Mcnea for next year's audit. Brian came back with a price of \$14,500 and he would honor that for three years. They would like to be on-site in August.

Jeff asks how many years has it been since we had someone else do an audit.

Josh said this would be the third year.

Tom asks to have a contract brought to next month's meeting.

The city storm drain project on Wicks and Bitterroot which has been an ongoing mess. We have had 4 main line breaks and 2 service lines in the last month. We have met with the city and project engineer to try and iron out some different means and methods to protect our utility. We brought forth the possibility of us furnishing materials and the city paying the installation costs to replace the main that keeps being broken. The city said they would not do that. We received a quote for the three different supply houses for what the materials would cost. Also received the bid from Western for what they would charge for installation.

Doug asks if there is anyone who can inspect the A/C pipe that was retrieved from the last break to have it analyzed.

Josh said he would check into that.

Tom said with their stormwater pipe being within ten feet of our water pipe that doesn't meet DEQ specs. The City has offered to allow us to use their permits for the storm drain to replace the water line under an emergency repair.

Doug asks if the City gave a variance that they could dig within the ten-foot DEQ regulation.

Josh said we had the ten-foot separation at the time the storm drain was originally installed but with the larger size pipe they are putting in now it is no longer ten feet.

Frank thinks we should get at least three bids for replacing that water line.

Jeff asks if we are preserving the evidence in case we cannot come to an amicable decision.

Josh said we had guys go down to do inspections and take some pictures.

Josh continues with the annexation, and system development fees. He asks the board how they want to continue with those. Laura will bring up some of the Stifel stuff when she does her treasures report.

Laura asks about the bills from Western for the repair on St. Andrews and if it has been paid in full.

Josh said that Suzie held the bill because everyone wanted it withheld to be voted on.

Laura asks Frank if the 30% markup on labor, equipment, and material was normal.

Frank said it was steep but wages did go up.

Further discussion was had regarding the Western bill.

Frank asked about the unhappy homeowners regarding the St. Andrews break and asked if we had heard from them again.

Josh said we haven't heard from them since.

Motion and Vote:

Tom moves to accept the manager's report. Frank seconds. All Approved

TREASURES REPORT:

Laura explained Gross Income account is \$1. Service charge \$810.63. Sweep account \$746,590.50. Payroll account. \$122,768.99 First Interstate Savings account \$257,648.91. Earned \$639.00 Yellowstone Bank Savings account \$219,584.53. Stifel investments \$6,621,727.31. Total cash position \$7,968,321.24. Change to cash position \$132,271.93 Change in cash position for the year of \$713,850.61.

Email from Steve regarding a proposal for new CDs to invest in, at 5.10% with a due date of four years out. We had some areas we were lacking in which he is trying to fill. We don't currently own any CDs that pay at that 5% within that four-year range. He suggested we exchange the \$300,000 in the smart rate account for the three highest-yielding CDs.

Jeff, there was a motion that passed about the new signatories. Has that been done yet?

Josh said not yet no.

Tom said need to have funds available in case we need them for the repairs. It's the wrong time of year to be replacing the water line but we don't have much choice.

Further discussion was had regarding the investments.

Public comment:

Pam said she spoke with Jennifer Duray and asked that she be prepared to tell everyone when the project on Bitterroot will be finished.

Motion and Vote:

Tom moves to approve the Treasures report. Frank seconds. All Approved

COMMITTEE REPORTS:

Tom said we interviewed two attorneys to represent the board. Tom recommends going with Martin Smith at Felt Martin Law Firm.

Discussion was had regarding each attorney's capabilities and which would suit the District best.

Tom moves to accept Martin Smith with Felt Martin as the District's attorney. Ming seconds.

Public comment:

Pam said we should hire the one who is the most competent.

Motion and Vote:

Tom moves to accept Martin Smith with Felt Martin as the District's attorney. Ming seconds. All Approved

OLD BUSINESS:

Resolution to consider consolidation with the City of Billings

Frank moves to approve the resolution as written. Jeff seconds.

Ming calls a point of order and reads a policy in the Board Policy and Procedures part 4 rule of board presentation.

The chair did not recognize the point of order as it had nothing to do with what was being discussed.

Jeff said this is not a determination of what the final outcome will be. This is simply about exploration.

Ming amends the resolution to take place in 2025. No second.

Tom moves to amend the resolution to add the following: and compose a consolidation proposal. Frank seconds

Tom goes on to say he wants the consolidation in writing.

Ming says it cannot be brought up according to Robert's Rules Of Order.

Laura says she thinks we have some other things that we should be looking at for the District rather than continually looking at this consolidation. She said she would like to see the Board of directors have the attorney in place, work on getting a General Manager hired, and develop a strategic plan so that we have some direction. She feels that the board doesn't have a direction and if they don't have a direction, it is difficult for them to provide direction for the staff.

More discussion was had regarding the exploration of consolidation.

Public comment:

Mike said the director who works for the City should recuse himself from this vote.

Motion and Vote:

Frank moves to approve the resolution as written. Jeff seconds.

Tom moves to amend the resolution to add the following: and compose a consolidation proposal. Frank seconds. Doug, Frank, Jeff, Tom For. Ming Laura Against. Motion Passed.

NEW BUSINESS:

Renew Randall & Hurley contract

Doug addressed the board on who should be authorized to sign the Randall & Hurley contract.

Tom makes a motion that our existing contract with Randall & Hurley be signed by the existing Board President and co-signed Board Secretary. Laura seconds.

Public comment:

Pam comments that the contract that is in the agenda packet started over a year ago. She feels this contract should be modified.

Jeff amends Tom's motion to include the altered signature page to reflect the new changes. Tom seconds.

Motion and Vote:

Jeff amends Tom's motion to include the altered signature page to reflect the new changes. Tom seconds. All Approved

Tom makes a motion that our existing contract with Randall & Hurley be signed by the existing Board President and co-signed Board Secretary. Laura seconds. All Approved

Monthly Bills Format

There was a discussion on adding additional information on the postcard bills.

Jenn explained that there was no way to add any additional information with the limited amount of room on the postcards.

Tom moves to stay with the existing format. Ming seconds.

Frank asks if there is room to display the tiers on the bills.

Jenn said there was no way to add more information.

Jeff asks how many of our bills are sent via email.

Jenn said about 535 of the 6100 are sent through email.

Jeff suggests a discount for emailed billing.

Further discussion was had regarding adding the tier information to the bill.

Laura asks Jenn to speak with Black Mountain about setting up to different template for email and postcard bills.

Motion and Vote:

Tom moves to stay with the existing format. Ming seconds. All Approved

Cleaning contract for the District office

We received four quotes for the cleaning service. All of these cleaning companies quoted the same services to perform. The quotes are as follows: Executive \$949/month, Finishing touches \$780/month, Berry Clean \$900/month, and Brenda's cleaning \$1000/month.

Frank asks about Josh's opinion of the different companies

Josh said Jenn was the one who spoke with them.

Jenn explained she thought that Finishing Touches and Berry Clean were the better options.

Jeff recommends not doing a contract with the cleaning company because we should see their quality of work before we think long-term.

Ming makes a motion to approve Finishing Touches for \$780 a month as our cleaning company. Jeff seconds.

Frank amends the motion to have the price guaranteed for a year. Ming seconds.

Public comment:

Pam said she feels it is important to make sure the companies are bonded and insured. She also recommends clarifying their price and if it would change on the number of cleaning days in a month.

Motion and Vote:

Ming makes a motion to approve Finishing Touches for \$780 a month as our cleaning company. Jeff seconds. All Approved

Frank amends the motion to have the price guaranteed for a year. Ming seconds. All Approved

Raftelis contract for reviewing City of Billings rate increase to the District

Laura makes a motion to accept the contract with Raftelis. Tom seconds.

Public comment:

Pam at one point we had paid Raftelis \$30,000 and he generated 15 questions that Jennifer Duray answered. He then generated 8 more questions and her response was asked and answered. That's what we got for \$30,000. Last year the rate increase was 0%. Where he was helpful was in helping the District get legal with their rates. There is potential for a 3% increase once the plant is completed on the west end. She doesn't think the cost is worth it.

Jeff makes a substitute motion to defer this until next month. Frank seconds.

Tom doesn't want to wait

Ming agrees with Tom.

Frank asks when does he start and how long does he work?

Josh said Raftelis broke it down in the contract.

More discussion was had regarding the start time and if the board wishes to approve the contract with Raftelis.

Jeff makes a substitute motion to defer this until next month. Frank seconds. Frank yes, Jeff, Tom, Doug, Ming, Laura No. Motion Failed

Laura makes a motion to accept the contract with Raftelis. Tom seconds. Jeff, Tom, Doug, Ming, Laura For, Frank against. Motion Passed

RFQ on emergency excavations

Doug asks if Josh has gotten any of the RFQs for the excavation companies.

Josh said no but those digs are so random that he just starts with one company and works his way down the list until someone says they have a crew available.

Frank would like to get a one-year contract from each company with a pricing list. He also feels that we should request that there aren't five operators on site when a few laborers would work for cheaper.

Jeff thinks we should ask them all for their pricing and if they will commit to a one-year period. This way we will know which order to contact the companies.

Further discussion was had regarding getting costs for each company and the break down of costs.

The board asked that Josh get the RFQ from the excavation companies.

System development fees and new subdivisions

Josh asks if are we charging the SDFs upfront or if are we playing banker. Do we charge for all of the lots that the developer is bringing in at the same time, or do we charge as they are being hooked up?

Frank said that everyone else charges when you hook up.

Josh said so we are on the hook for a service that hasn't been paid for.

Further discussion was had regarding the charging upfront vs charging at hook-up.

Jeff makes a motion to pay at the time the meter is installed. Ming seconds.

Public comment:

Butch said he paid a fee as the line went by, and then we paid the other part when we hooked up to it. He asked for clarification on if that's what they were talking about.

Doug said yes, the fee would be when you hook up.

Motion and Vote:

Jeff makes a motion to pay at the time the meter is installed. Ming seconds. All Approved

Work Session Wednesday, March 6th @ 9:00 AM

Next Board meeting Wednesday, March 20th @ 6:00 PM

Meeting adjourned @ 8:20 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

March 20th, 2024 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 public's request. The public can access and view the agenda packet online 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: Doug Kary, Frank Ewalt, Tom Zurbuchen, Ming Caberera, Jeff Essmann & Laura Drager

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Willeen and Greg Erpenbach, Tyrell Mailloux, 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.

March 20th, 2024 6:00 PM

PUBLIC COMMENT:

Pam Ellis said she has requested twice for an explanation about why there is a discrepancy between the postcards and the bills that are online. When she originally signed up to do emailed bills, she asked not to get a mailed bill thinking it would save the district money. Postcards sometimes come before the email bills and sometimes they come after. A lot of the history online is missing. For the last two months, the electronic bill doesn't match the paper. At the work session with Interstate Engineering, they explained a discrepancy between what was recorded in the minutes for February which is that Josh said we had a grant to pay for 100 hours of Interstate Engineering time. Interstate said they were hired directly by the state to provide 80 hours.

Doug requests to move agenda item #3 (Membership in Associated Employers of Montana) in New Business to after the consent agenda. No objection.

MINUTES:

Laura makes a motion to approve the minutes for the February meeting. Frank Seconds.

Public Comment:

Pam said the February minutes talk about the quote from Summers Mcnea. At the meeting, Frank asked Josh to check and see if Summers Mcnea would guarantee that price quote for three years, and he said he would. Minutes reflect they guarantee the price quote for three years. The minutes should reflect what happened at the meeting. Tom asks that the quote be brought to the next meeting it's not in the agenda packet. Josh reported that the City offered to do the engineering on the new storm pipe, but there was no report that anyone had ever talked to the project engineer. To her knowledge, she is the only one that contacted the project engineer. She doesn't remember Josh saying he had three price quotes for the pipe companies to replace the pipe on Bitterroot and one quote for labor but that should have been in the agenda packet. The board requested the price quotes for the excavation companies so they called in order of the least expensive, the minutes show he was directed to get an RFQ which is a request for qualifications for professional behavior. Also, the agendas are posted on Friday and corrected on Monday and there is never a note saying there were corrections made.

Motion and Vote:

Laura makes a motion to approve the minutes for the February meeting. Frank Seconds. Frank, Jeff, Doug, Laura, and Ming approve. Tom against. Motion Passed.

Tom comments regarding the minutes and the vote on the consolidation exploration. It says the minutes do quote the resolution as written.

Tom made a motion to reconsider the consolidation exploration resolution. No second.

Item #3 (Membership in Associated Employers of Montana)

Tyrell explains the benefits of being a member of the Associated Employers. Which primarily focuses on HR services. They have helpful videos, training, and a hotline to ask questions. The membership fee is \$675 annually with 5 hours free and \$110 an hour after. They also have OSHA compliance safety training which would be an additional \$675 annually. If you have both you receive a 25% discount. They have an in-house underwriter for insurance benefits as well as wage and benefit surveys.

TREASURES REPORT:

Laura explained Gross Income account is \$1. Service charge \$741.94. Sweep account \$582,087.63 Earned \$351.79. Payroll account. \$237,293.99 First Interstate Savings account \$258,211.86. Earned \$562.95 Yellowstone Bank Savings account \$219,584.53. Stifel investments \$6,636,132.58. Total cash position \$7,933,311.59. Change to cash position for the month of \$-35,009.65 Change in cash position for the year of \$927,376.51.

Ming asked about being down from January.

Laura said it was because we had more money available in our checking account. Some money was moved from Stifel investments which were making minimal interest into our money market account. Also, our Stifel smart rate program is paying 7.6% interest.

Jeff asks if the employees are on 26 pay periods a year.

Laura said that was correct.

Laura goes on to say that on Friday she applied for the Districts General Manager position. Our chairman checked with our legal counsel who said that by state law there was nothing that prohibited a board member from applying for the position however our by-laws do restrict that so she would not be eligible for consideration due to the by-laws. She then sent a letter of resignation to the Board of directors on Monday. She then read her letter of resignation.

CONSENT AGENDA:

Frank said he was going through the budget and had some questions so he came down and talked to Josh and got clarification on those items.

Frank makes a motion to accept the consent agenda. Tom seconds.

Public Comment:

Pam said that you are now a five-member board until you appoint someone else. So, you can't meet with three people at the office and approve bills because that's a quorum.

Motion and Vote:

Frank makes a motion to accept the consent agenda. Tom seconds. All Approved

MANAGERS REPORT: presented by Josh (Acting General Manager)

Paving on St. Andrews is done, the hot plant opened up so they were able to get in there and have it looking pretty.

He met with Interstate Engineering and got back the Geo tech proposal from SKA. It broke down to the original ten boaring at a 15-foot depth. They're looking at a cost of \$26,800, If they need additional boarings ten additional would add \$17,200 to that price tag. Fieldwork could begin 3 to 4 weeks weather dependent. It will take approximately 7 days to do the work and 5 to 7 weeks for lab testing and the final engineering report. Interstate has gone out with drones and surveyed the property already. There is an additional clause in the task order that allows for an additional \$60,000 to be spent as needed. Interstate has asked the City the question if two connections would be better than just one.

The Wicks Lane water main replacement preliminary task list was sent to the board. Josh then went over the Interstate report.

Frank reads resolution 005-24: The Board has approved Interstate Engineering Inc. to commence the engineering work to bring forth a complete construction design and plan on an emergency main line replacement on Wicks Lane, from Bitterroot Drive to Duran. Tom seconds.

Frank asks if they do the engineering on this project will it still be good in 10 years?

Josh said no it would have to be updated for any current specs.

Tom said he is he is in favor of this because the A/C pipe does not like ground shift. We just need to replace it and be done with it.

Ming said this is what we pay our engineers for, we need to continue it and move on.

Further discussion was had regarding this.

Public Comment:

Laura said she was in favor of this motion. She thinks that it is something the District needs to take care of and make it a priority.

Pam comments that she thought the City had offered to do the engineering. She also said what she had heard from the people who evaluate pipe that you can't tell by looking at it. She knows that A/C pipe is really fragile and that it does break and it does get more fragile the older it is. What is the timeline for getting the report back on the A/C pipe that was sent for review?

Doug said it should be back in a couple of weeks.

Motion and Vote:

Frank reads resolution 005-24: The Board has approved Interstate Engineering Inc. to commence the engineering work to bring forth a complete construction design and plan on an emergency main line replacement on Wicks Lane, from Bitterroot Drive to Duran. Tom seconds.
All Approved

COMMITTEE REPORTS:

Frank talks about the meeting with the City on the discovery of consolidation. They decided it would be best if they had a third party to collaborate on everything. They gave a list of state-approved engineers. Frank then sent out a list of engineers to everyone and asked them to remove any who may have a conflict of interest. He then listed the three that they removed from the list. H2S, Sanderson Stewart, Performance Engineering, this left 8 to choose from. They would like to get it down to three not to exceed four to go back to the City. Then we will get RFQ from the three top picks.

Tom said HDR does the City's hydraulic modeling and should be removed as well.

Jeff doesn't think that Sanderson Stewart should be left off the list. He believes that the top three should be Sanderson Stewart, Morrison & Maierle, and Dowl.

Doug would like to add KLJ to that as well.

Ming asks what we are looking at as far as cost for this consolidation exploration.

Doug said wait for your meeting and you will know.

Frank said in the meeting they also passed out a sheet for the cost of the street opening permits. There was also an announcement that there may be a possible 2.3% increase in water rates.

OLD BUSINESS:

Item #1 Decision on General Manager Employment

The board met and no decisions were made regarding the hiring of a new General Manager. They each went through and discussed as well as rated each applicant. They are attempting to narrow it down to three individuals if they can. Once they hear back from the Associated Employers if they approve it, they will proceed further.

Evelyn asked how many applications they received.

Doug said six.

Item #2 Geo Tech for Northwest Transmission Line

Doug explained this was covered in the Manager's Report.

Jeff says since our access time is limited, he would like to get the inventory performed while we have the access permits.

More discussion was had regarding the boaring.

Public Comment:

Laura asks if the proposal pricing good for 30 days. Did the board decide to take action on this tonight?

Doug said it was included in Task Order 28.

Jeff makes a motion to proceed. Frank seconds.

Public Comment:

Pam said that the Board President should sign the contract as well as the Board Secretary.

Motion and Vote:

Jeff makes a motion to proceed. Frank seconds. All Approved

Item #3 Custom Program to Help Customers Calculate Bills

Doug explains that we were looking at ways to make our bills more transparent to our customers.

Josh explains that Jenn's husband is a software engineer and that Jenn had mentioned the programming dilemma to him. He said he would be able to make a program that would be compatible with our website and we did verify compatibility with the Civic Plus. It shows the breakdown per tier for both commercial and residential as well as the cost for the meter size charge and the service line fee.

Jenn said she did go to Morrison & Maierle first before she talked to her husband. They were only able to make an Excel spreadsheet and were unable to make a full program.

Public Comment:

Willeen asked if they wanted to double check on our bill we could just go to your website and input our address.

Josh said no if you put in your usage, it will show you the breakdown of how that bill is calculated.

Jeff asks if we need to take action on this tonight. He feels that a press release would be a good idea to get the word out so that people can start using it.

Tom doesn't know if this will do any good. He would like to track how often staff has to calculate customer bills so we know where our money going.

Franks has concerns because the calculator doesn't include the rates and how they are calculated. These tiers are meant for water conservation so the customer needs to see when they will be going into the next tier.

Jenn said the formula was going to be added to the calculator page once it was complete and approved.

Ming said this would be good for those who have questions regarding their bills. He also feels we should proceed with this.

Public Comment:

Laura asked if the fee was an annual cost or a one-time fee.

Jenn said it was a one-time fee.

Laura said she would support this because there are so few things that we as the board that has done that are customer-facing. This is a tool for the customers and with that cost, she thinks it

would be something that would be a tool for the ratepayer and it would enhance their experience with the district.

Willeen said she does like the idea of putting the barrier between the tiers so the customer knows what the calculation details.

Tom asks what we would have to do to update this if we have a rate increase.

Doug said he would just go in and change the tier costs.

Frank asked about adding the calculation to the final webpage.

Jenn said yes, we would add a picture of the formulas next to the calculator if we can if not, we will add an additional sheet to a page of its own.

Doug asks how many times they could go and search.

Jenn said as many times as they see fit. She also stated that we have had a lot of customers who have asked about the potential summertime bills with watering and this would be a great tool for them.

Frank asks for this to be brought back next meeting with the tiers brought out.

Laura asks how much will it cost for the programmer to change the rates. What will his fees be and how long will it take him to change them?

NEW BUSINESS:

Item #1 Wicks to Duran RFP

Already discussed in Managers Report

Item #2 Proceed Engineering for Wicks Ln Main Replacement

Already discussed in Managers Report

Item #3 Membership in Associated Employers of Montana

Jeff makes a motion to invest \$675 for the board and General Manager to utilize the Human Resources and data they provide. Ming seconds.

Tom said he is against this because we have health insurance and we haven't had to advertise for the last several people we have hired.

Josh said we did advertise for the most recent job opening. He also asks if this does go through and the GM would like to utilize the safety training does the additional cost have to be brought to the board?

Doug said no it would be in the budget.

Frank said he was unimpressed with the video that was sent to him. He also feels there were too many hidden costs.

Further discussion was had regarding this topic.

Frank amends the motion to try it for one year if we don't use it enough in that time then we can get rid of it. Tom seconds.

Public Comment:

Laura said she was in favor of this because there are things that they cover that even a GM may not have current knowledge of such as the FMLA compliance. Also, they can do training on drugs and alcohol but they can also assist with the testing.

Pam asks Josh if he feels that there are things that are useful to him.

Josh said more training is always better. However, as far as what we use on a day to day he's always reached out and tracked down the answer himself.

Jenn asks if you call and have a five-minute question are you getting charged for an hour or for the few minutes that you are on the phone?

Doug said he would have to find out.

Laura said the hotline is available to members on a no-fee access.

Greg said employment law is changing constantly because of lawsuits. By looking stuff up on the internet, you may not find those little things that someone with experience can show to you.

Tom said we already have the drug testing available.

Motion and Vote:

Jeff makes a motion to invest \$675 for the board and General Manager to utilize the Human Resources and data they provide. Ming seconds. All Approved

Frank amends the motion to try it for one year if we don't use it enough in that time then we can get rid of it. Tom seconds. All Approved

Item #4 STIP Program

Authorize Representation:

Jeff makes a motion to participate in the STIP Program. Ming seconds.

Public Comment:

Laura says that all of the statements are electronic, and there will not be any paper statements generated. She would like to make a recommendation that Suzie be one of the employees because she pulls all of the electronic statements and provides those to the board of directors.

Josh asks how many you can have.

Laura said you can have up to three people.

Pam said it should be Jenn because she may need to transfer money.

Jeff makes a motion that e Signatures be the Board President, General Manager, and Accountant. Frank seconds.

Motion and Vote:

Jeff makes a motion to participate in the STIP Program. Ming seconds. All Approved

Jeff makes a motion that e Signatures be the Board President, General Manager, and Accountant. Frank seconds. All Approved

Work Session Tuesday, April 2nd @ 8:00 AM

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

Meeting adjourned @ 8:09 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Special Meeting Minutes

March 26th, 2024 at 2:00 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 public's request. The public can access and view the agenda packet online and can download them or print them at their own expense.

CALL MEETING TO ORDER: President Doug Kary called the meeting to order at 2:00 PM

WELCOME AND INTRODUCTIONS

Board Members present: Doug Kary, Frank Ewalt, Tom Zurbuchen, Jeff Essmann (On Zoom)

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Greg Erpenbach, David Graves, 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.

March 26th, 2024 2:01 PM

NEW BUSINESS:

Item #1 Interview candidates for Board of Directors vacancy

Item #2 Select a candidate

Doug asks the candidates present to inform the board why they would like to serve on the board and what talents they can bring forth.

Frank makes a motion to reject all applications for the vacancy at this time. Tom seconds.

Jeff supports this motion because he feels we need to restore the public's trust.

Doug said he has been receiving emails from another board member pointing out all kinds of stuff. This board member is not telling the full truth. We cannot have three board members without an official meeting. Board members said there are three people on this board that are going to railroad the consolidation with the City through, this is far from the truth. Some of the applications we received, those applicants were not eligible.

Tom is for rejecting all applications. He would like to remind the candidates that we still have a vacant seat and those applicants who wish to serve will have to reapply.

PUBLIC COMMENT:

Pam said she wasn't sure why the board would reject the applications. In the past, they kept applications on file for two years. You know people are interested, it's an error in communication and scheduling. She said she thinks the board should just keep the applications and reschedule the meeting at a later date.

Greg said new laws based on lawsuits just came out. Files were held for future opening but those files were never pulled out only the current applications were used.

David said this has been going on too long. We need to step back and figure out what is best for the ratepayers and the employees of the Water District. As well as figure out how we can work with the City of Billings.

Susan Swimley is concerned with Pam on holding the applications and rescheduling the meeting for another time.

Frank thinks that the Board needs to have new applications.

Motion and Vote:

Frank makes a motion to reject all applications for the vacancy at this time. Tom seconds. All Approved.

Frank said going forward we will have a posting after the April 17th meeting listing the following:

Date of vacancy

Opening for applications

Date of closing for applications

Date of interviews and appointment

To be voted on at the next business meeting.

PUBLIC COMMENT:

Evelyn asked what prompted the calling of this meeting.

Doug said to interview the candidates.

Meeting moved to Executive session.

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

Meeting adjourned @ 2:15 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Special Board Meeting Agenda

April 10th, 2024 at 1:00 pm

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

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested by email from the board secretary Jenn Burnside, jenn@heightswaterdistrict.com 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 public's request. The public can access and view the agenda packet on-line and can download them or print them at their own expense.

Join Zoom Meeting

<https://us02web.zoom.us/j/88412425160?pwd=QkhUMER4cmdDMGo2UVdYdjJsZDNHUT09>

Meeting ID: 884 1242 5160

Passcode: 594330

CALL MEETING TO ORDER: President Doug Kary

WELCOME AND ROLL CALL OF BOARD MEMBERS: FRANK EWALT, DOUG KARY, TOM ZURBUCHEN, MING CABRERA, AND JEFF ESSMANN.

PUBLIC COMMENT on Agenda Items:

- A. Any member of the Public may be heard on any subject that is not on the agenda. Comments are limited to 2 minutes. You may only speak once for each item on the agenda.

AGENDA ITEMS

1. Consideration of Settlement of Ellis v. Billings Heights Water District (may be closed to public for litigation strategy).
2. Open meeting announcement of decision on proposed settlement agreement

ADJOURN

ANNOUNCEMENTS:

1. Next Board Meeting Wednesday, April 17th, 6:00 pm Board Room

Note: No action will be taken on items that were not on the agenda.