



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

January 15th, 2025 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, Jeff Essmann, Ming Caberera, Greg Erpenbach

Jenn Burnside (Board Secretary)

Staff Members present: Bo Andersson, Josh Simpson, Adam

Kuchin

Also present: Evelyn Pyburn (YCN), and John Kaderavek, Pam Ellis

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 three 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 15th, 2025, 6:00 PM

PUBLIC COMMENT:

None

Approval of minutes:

Greg mentioned he is not listed as a present Board member in the minutes.

Bo said that on page 5 Greg said the MOU is for information only. This should be corrected to MOA.

Tom moves to accept the minutes as corrected. Frank seconds.

Jeff asks about Resolution 38, which was missing from the website as adopted.

Doug said they don't post them until they have been signed.

Public Comment:

Pam said the Resolutions haven't been posted since October.

Motion and Vote:

Tom moves to accept the minutes as corrected. Frank seconds. All Approved

CONSENT AGENDA:

Frank moves to accept the consent agenda. Greg seconds.

Tom asks about the Stifel CD which is maturing this month.

Bo explains that Steve made a recommendation to reinvest the funds.

Tom amends the motion to reinvest the funds in Stifel. Greg seconds.

Jeff comments that we have projects coming that will call for 4 million dollars in funds.

Bo said the with State Revolving Fund we have 11 million dollars in the hopper. When we decide on where to go, we will make a proposal, which will include the financials.

Tom said that this investment is \$150,000, in April we have more CDs maturing totaling \$900,000.

Jeff said borrowing money costs money. We should put the money in the STIP fund.

Further discussion was had regarding project costs and where to put the funds.

Public Comment:

None

Frank makes a motion to separate 6 from the consent agenda and approve 1-5 and 7.

Greg seconds.

Tom withdraws his amendment.

Tom moves to accept the Stifel report and reinvest with Stifel. Ming Seconds

Public Comment:

None

Motion and Vote:

Frank makes a motion to separate 6 from the consent agenda and approve 1-5 and 7. Greg seconds. All Approved

Tom moves to accept the Stifel report and reinvest with Stifel. Ming Seconds. Greg, Ming, Tom, Doug For, Frank, and Jeff Against. Motion Passed

MANAGERS REPORT:

Bo explains we still have the same number of employees. We did have another notification on the Bailey Family Trust claim and our attorney has been notified. We had one service line issue on Wicks Ln. This was a break in the fire line. Based on what we saw when we dug it up, it appears to be a break where the sewer line trench was. As a result of this break, we will be checking all hydrants around the District starting in the spring.

Doug asked about the amount of water loss.

Adam said they didn't measure.

Frank asked if they will be doing a flow test and a pressure test on these hydrants as well.

Bo said they will make a plan and report back.

Doug asked if we need to budget for the amount of water loss.

Adam said they never measured the amount at the City.

Jeff would like to request a report on a monthly basis.

Bo said that non-revenue water in November and December was very bad. November was at 40%. He contacted Jennifer Duray about this issue. He has also requested a mag meter so that the volume of water can be verified. They have approved the meter, and it will be installed so that we can monitor the water on the SCADA. The average of non-revenue water is \$39,000 and the lost revenue is \$99,700.

Frank asks if we will have twin meters at the Walter pump station.

Bo said no the current one will be replaced.

Frank asked about the changing numbers from last year.

Bo said yes that is why we need a new meter because the numbers are always changing.

Further discussion was had regarding the mag meter.

Bo moves on to discuss the revenue and expenses, the revenue is up. These numbers, however, do not reflect an accurate representation of the numbers. He is having Brian the auditor work with Jenn & Josh to make some journal entry adjustments for July of last year. In our next year's budget, we will include long-term loan financing, as well as interest expense and depreciation.

Jeff appreciated his effort in making the budget and financial reports accurate. He also brought up an email regarding a Facebook message and asked who brought the message to Bo.

Bo said he received it the day before the board meeting from Josh. He thought the message was dropped off, however, he later learned that it was printed from a private Facebook message.

Jeff asked Josh who brought the message to his attention.

Josh said Jenn checked the Facebook messages and showed him, he had her print it and he delivered it to Bo.

Jeff said he contacted the law firm of which the person works at who sent the message. He doesn't feel this type of information should be brought up in a public fashion.

Public Comment:

Pam said one of the things she read in the report from Interstate Engineering was that they responded to the public comments on the PER. The only comments she is aware of were from Lewis Engels and her. These comments were not included in the final report and were never responded to. So, what is it that they did to respond?

Bo said he doesn't know but he will follow up on that.

OLD BUSINESS:

1. Echologic AC pipeline action plan

Bo explains that Echologic has come up with a plan to handle pipe replacement. This plan includes testing the pipe sections they have deemed as poor. We will dig up a section of the pipe, replace it, and send that section of pipe to the California lab to have it tested. The key is to verify the test results. We would also like to have another lab test the pipe to verify the quality of the pipe. Once that is done, we will replace the pipe that has the shortest life expectancy. He and Josh were also discussing upgrading all of the 6-inch pipe to 8-inch PVC. They are also working with the City to coordinate pipe replacement at the same time.

Frank asks Bo about the budgeted engineering for the project.

Bo said Interstate is the engineer for the project.

Frank asked how many areas we will be testing.

Bo said at least two.

Jeff doesn't think that 1 or 2 will be enough. He feels we should dig up the pipe where we didn't receive any results.

Tom agrees.

Frank would like the completion date moved up two months.

Josh said we have to wait for the hot plant to open back up.

Jeff said we could use a cold patch until the hot plant opens back up.

Further discussion was had on timing and where to start.

Public Comment:

None

2. Consolidation Study Update

Bo talks about the meeting they had with the City on the 14th of January. It was a kick-off meeting, with Morrison & Mairle. They took a few of them on a tour of the District. The goal is to determine the feasibility of consolidation with the City with an estimated completion time of June 30th, 2025.

Jeff points out that contrary to the letter written last month, this Board has not voted for the City to obtain this water service. The Board only voted for a fact-finding mission.

3. Paychex Trustee Authorization

Bo said this is just a formality to assign himself and Jenn as the trustee and authorized representative.

Frank made a motion to approve Resolution 002-25. Tom seconds.

Public Comment:

None

Motion and Vote:

Frank made a motion to approve Resolution 002-25. Tom seconds. Greg, Ming, Tom, Frank, Doug For, Jeff Against Motion Passed

NEW BUSINESS:

1. Northwestern Transmission Line, Task Order Number 28

Bo said this Resolution is designed to take the hold off of Task Order 28. The Board made a resolution that the PER be completed before Task Order 28. As the Board knows the PER has been completed, and we would like to move on with Task Order 28.

Tom moves to approve Resolution 001-25. Greg seconds.

Jeff said we need to close it out one way or the other. He would propose that they take more than 30 days to come up with a plan. He would like the plan brought to the Board ten days before a vote, so the Board has adequate time to look it over.

Public Comment:

Pam said Lewis Engels thought that the Northwestern Transmission Line was a poor project and not cost-effective for the District.

Tom said this does not say we are going to do the Northwestern Transmission line it just says we are finishing Task Order 28.

Jeff proposed a substitute motion to have this report brought to the Board for the March meeting. He would also like the Board to receive the report 10 days before the meeting for adequate review of the documents. Frank seconds.

Motion and Vote:

Tom moves to approve Resolution 001-25. Greg seconds.

Jeff proposed a substitute motion to have this report brought to the Board for the March meeting. He would also like the Board to receive the report 10 days before the meeting for adequate review of the documents. Frank seconds. All Approved

2. Audit FY 2024

Tom moves to accept Resolution 003-25. Greg seconds.

Public Comment:

Pam said some things need to be corrected in the Audit. There are a lot of errors throughout the document.

Doug asks why Pam didn't bring these issues up while she was on the Board.

Tom makes a point to say that a few years ago we used a different auditing firm, and they used the exact same format and information as this auditor.

Motion and Vote:

Frank moves to approve Resolution 043-24. Greg seconds. All Approved

3. System PER Projects

Tom moves to adopt Resolution 004-25. Ming seconds.

Tom states that this is only for the engineering.

Frank asked Bo about the Hilltop tank improvements.

Bo believes that we have some funding opportunities here.

Jeff asks if we will be replacing the service lines all the way to the curb stop.

Josh said most of those service lines are made of Tufftube and 90% of our breakages are of Tufftube.

More discussion was had on replacing the service lines.

Public Comment:

Pam asks why we are paying Interstate to send the pipe off for testing.

Motion and Vote:

Tom moves to adopt Resolution 004-25. Ming seconds. All Approved.

Next Board meeting Wednesday, February 19th @ 6:00 PM

Meeting adjourned @ 8:09 PM

Board Secretary, Jennifer Burnside

Board President, Doug Kary