



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board Meeting Minutes

November 19, 2025 at 6:00 pm

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

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER: President Jeff Essmann called the meeting to order at 6 pm.

WELCOME AND INTRODUCTIONS

Board members present: Director Ewalt, Director Kary, Director Graves, Director Erpenbach, Director Ellis, President Essmann were all present.

Staff Present: Bo Andersson, General Manager; Josh Simpson, Assistant Manager; Carolyn Bakker, Secretary

Also present: Mike Macki, Butch Bailey, Corine Davies, Adam Kuchin, Evelyn Pyburn (Yellowstone County News), Andrew Rheem (Raftelis via Zoom).

PRESIDENT'S REMARKS ON CONDUCT OF MEETING

During the course of the meeting the Public may be heard before a vote is cast by the Board President will acknowledge the Public once a motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hand. Once recognized, the Speaker should move to the side of the board table so comments may be heard, please identify yourself by name and please spell your last name. You will be allowed to comment for up to three minutes. Each speaker will have one opportunity to speak on the agenda item. Once the public comment period is over there will be no additional comments unless specifically requested by the President or presiding officer of the meeting.

PUBLIC COMMENT ON NON-AGENDA ITEMS:

Corine Davies addressed the board requesting clarification regarding hooking up to the Billings Heights Water system. There was a brief discussion about fees and annexation. President Essmann recommended that she meets with Assistant Manager Simpson to discuss the process.

APPROVAL OF AGENDA

Director Ewalt made a motion to move Item 11 1a – Resolution 055-25 Employment of New Board Secretary to beginning of the meeting so that the Board would have a

legally designated secretary in place for the duration of the meeting. Motion to move item was seconded by Director Graves.

Director Ellis moved to remove Item 2a (Resolution 060-25) from New Business. Second by Erpenbach. Passed unanimously.

Director Ellis made the motion to approve Resolution 055.25. Director Ewalt 2nd the motion. Motion passed unanimously.

APPROVAL OF MINUTES

Director Ellis made mention that the minutes of the October 15th meeting had several spelling errors. She made a motion that the minutes corrected with the spelling corrections. Director Erpenbach second the motion. No further comments were made, and the motion was passed.

Director Kary made a motion to approve the November 10th Special meeting; Director Graves seconded it. Director Ellis noted that the minutes as prepared were not complete and some items were out of chronological order. She made corrections and requested that the minutes be corrected be resubmitted at the next meeting for approval. The board directed the Secretary to incorporate the corrections the Director Ellis suggested. The corrected minutes will be reviewed for approval at the December meeting. Substitute motion was made by Director Kary. Director Ewalt seconded the motion, and it was approved 5-1.

CONSENT AGENDA

Director Kary made a motion to accept the Consent Agenda. Director Graves seconded the motion. Director Ewalt posed a question regarding an item on the financials. The question will be addressed during the Manager's Report.

MANAGER'S REPORT

Bo Andersson presented his manager's report. Director Ewalt requested clarification of the Cost of Goods sold. Manager Andersson explained that the unusual increase in this time was a result of timing of the bills from the City of Billings. The District is on a cash basis. There were two months' bills that had been received during the same reporting period.

Director Ellis asked to receive a more detailed report on payroll expenses. She was specifically looking for clarification of the variance the Serviceman salaries. Assistant Manager Simpson said that during the month-to-month variance is the number of weekends in a month. The more weekends in a month result in more payroll expenses for on-call personnel. Director Ellis made a motion to have the payroll checking register included monthly in the Managers' report. Director Ewalt 2nd the motion. The motion passed 4-2.

Director Ellis asked about a payment for a monthly engineering report. In a prior meeting, there had been a Resolution to cease receiving a monthly report and the corresponding expense. Assistant Manager Simpson explained that it was a bill for a month prior before the request to stop the monthly reporting.

President Essmann asked if the employee that had removed the GPS units from District property and later returned the same had received a written reprimand, and if this was the only disciplinary action on the employee's record. Bo Anderson confirmed that the reprimand had been issued and was the only one on the employee's record.

President Essmann asked for clarification of how the cash draw for receiving customer's payments is being managed. Assistant Manager Simpson told the board that the drawer is balanced nightly and deposited weekly. The deposits are made more frequently when needed. The payments are posted to the respective customer accounts. It was requested that this procedure be clearly explained to an auditor.

Director Ellis asked for clarification on how the personal use of District vehicles is reported in accordance with IRS rules. President Essmann suggested that the Personnel Manual Committee address the definition of "personal use" in the manual. It was suggested that the auditor or legal counsel give directions to the Board on how to handle this year's reporting.

OLD BUSINESS

Mutual Aid Agreement (Resolution 012-25) Passed March 2025: General Manager Andersson reported that he had emailed the parties that would be part of the Resolution on November 19. President Essmann requested that passed Resolutions be acted on in a timelier basis.

RRGL Planning Grant (Resolution 051-25): Director Ellis made a motion to adopt the resolution. Director Erpenbach seconded it. Resolution was passed unanimously.

Rate Negotiation Final Presentation (Resolution 058-25): Andrew Rheem made a presentation recapping the study conducted by Raftelis reviewing the water rate proposed by the City of Billings for fiscal year 2027.

Director Ellis wanted to know if the District had missed the opportunity to submit the projected water demand.

President Essmann asked how the new water treatment plant depreciation will be applied. Mr. Rheem replied that it would be spread over years 2027, 2028 and 2029. How it is applied will depend on when the city completes the project and bill the District for their share of the depreciation.

Director Ewalt made the motion to approve Resolution 058-25, authorizing the Negotiation Team to bring specific objections to the City of Billings during the

negotiation process. The motion was seconded by Director Kary. Director Ellis requested a separate vote for each element.

- | | |
|--|--------------------|
| 1. Capital Project Booking timing: | Passed, 5-1 |
| 2. System Peaking Factors: | Passed unanimously |
| 3. Three Year Historical Water Use Period: | Passed unanimously |
| 4. Annual Volume Demand Projections: | Passed, 5-1 |
| 5. Allocated Pumping Costs: | Passed unanimously |

BOARD COMMITTEE REPORTS

Consolidation Study Committee: Director Ewalt reported that the committee is meeting on Friday, November 21 at 1 pm. A public meeting is being planned for January for the community.

Preferred Provider Study (Resolution 054-25): Director Ewalt gave an overview of the policies reviewed by the committee for health insurance and associated employee benefit programs and premiums for the 2026 calendar year. The premiums for both types of polices have increased from the prior year. The Director Erpenbach made a motion to approve Resolution 054-25 to accept the proposed renewals for both the Associated Employer Plan and the Guardian Insurance Plan. President Essmann seconded the motion and expressed his support for the resolution.

During public comments, Steve Swidler stated that he understands why the costs are going up. He also noted that with the advent of the internet it is easy to research options.

The Resolution was passed unanimously.

Employee Manual Review: Director Erpenbach reported that the committee has met twice and have gone through the entire manual. There are many topics to cover. President Essmann requested that the committee is ready to present its finding at the December meeting.

GPS Installation: Director Ewalt reported that the GPS units for the District vehicles have been ordered. GM Andersson and the provider will work on scheduling the installation.

President Essmann said he would not be reviewing any of the reports for the GPS system until the Employee Manual is complete and a procedure is in place. The GM will be reviewing the reports until that time.

RFQ For Audit: Director Ellis reported that the Request for Quote (RFQ) has been submitted the Montana firms listed on the State of Montana website that do government audits. It is also posted on the Montana Society of CPAs. She has requested that GM Andersson have it posted in the Yellowstone County News. There

was a delay in getting that submitted due to a missing signature, but that has been resolved.

Discussion of Investigation of Alternative Meter Replacement (Resolution 060-25):
President Essmann requested that this time be moved to the December meeting. Without objection, this was moved to December.

Resolution to Update and Amend Systemwide Preliminary Engineering Review and Capital Improvement Plan (Resolutions 056-25 & 059-25):

Director Ewalt made a motion to approve the Resolution 059-25. Director Ellis seconded the motion.

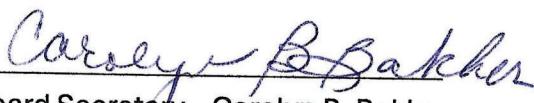
President Essmann made a motion to amendment to the resolution to strike certain language as on pages one and two and add the handwritten language. Director Ellis seconded the motion.

Director Ewalt asked if this resolution would hire a full-time engineering firm or just for the specific project described in the resolution. President Essman explained that it was just for this specific item. An engineering firm could be considered for future projects.

Resolution 059-25 passed unanimously.

Remove Resolutions not adopted from posting on District website and inclusion in the District Resolution book (Resolution 057-25): The resolution was moved to the December Meeting.

The meeting was adjourned at 8:30 pm.



Board Secretary – Carolyn B. Bakker