



## **COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**

### **Board Meeting Minutes**

December 17, 2025, at 6:00 pm

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

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Pledge of Allegiance

President Essmann called the meeting to order a 6 pm.

### **Roll Call of Board Members and Introduction of Guests and Visitors**

Directors Ellis, Ewalt, Erpenbach, Kary, Graves, & President Essmann were in attendance.

Also in attendance: Bo Andersson, General Manager; Josh Simpson, Assistant Manager; and Carolyn Bakker, Board Secretary

Guests in attendance: Darrell Mann, Evelyn Pyburn (Yellowstone County News), Denis Pitman, & Ming Cabrera

### **President's Remarks on Conduct of Meeting**

There are two opportunities for members of the public, our customers, and employees, to make their voice heard on issues with the Water District. The first is the next agenda item. Any member of the public may be heard on any subject that is NOT on the agenda. You will have one opportunity to speak which is limited to 3 minutes. Please come to the lectern so your comments may be recorded by the microphone and may be heard. Please identify yourself by name and address and spell your last name for the Secretary. This is a good time to request items for consideration at future Board meetings. The Board will not engage in debate but will attempt to provide brief answers to relevant questions.

There is also an opportunity for you to be heard on the agenda items before a vote. The Board President will acknowledge the Public after a motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hand. You may comment for up to three minutes. Each speaker will have only one opportunity to speak on an agenda item.

### **PUBLIC COMMENT and Questions to the Board on Non-Agenda Items:**

Daryl Mann addressed the Board to voice objection of consolidation with the City of Billings Water. He stated that if the County Water District would consolidate with the City, the County Water customers would be bailing out the City of Billings with their current problems.

Ming Cabrera expressed concerns that the study committee meetings are attended by a quorum of the Board and should be posted and open to the public. President Essmann replied with a legal explanation that a study committee of the three members is less than the majority and is not a quorum that can take action and therefor public notice is not required.

Mr. Cabrera further expressed concern regarding the consolidation studies and what firms are in attendance of the consolidation meetings. He also expressed concern that President Essmann, as an appointee of the city, shouldn't be involved in the consolidation committee as a conflict of interest. He further expressed concern that the Board was going to push to



consolidation regardless of what he and others thought.

Director Ewalt replied that, HDR, the long-term engineering firm for the City, and Interstate Engineers, our engineering firm, were not in attendance at the consolidation study committee meetings. Morrison-Maierle is a contractor for the study committee.

President Essmann explained that he was encouraged to apply for the position on the board. has been a customer of the District for 42 years and is trying to do the best job he can, exercising his best judgment for the small businesses and residents of the district. He is one vote out of 6 on the board.

Denis Pitman introduced himself as a new member of Billings City Council. He expressed his wish to work closely with the County Water District.

President Essmann told the group about his experience with the billing issues with the City. His review of his bills seemed to average out the same as prior years except for the new storm water billing which was added. The billing process change, done at peak water use during the summer, caused the issue. Denis is intending to work towards figuring out where the issue is with the city and getting the customers who haven't paid their bill caught up.

Director Graves brought up the issue that the City had a billing error in what they under charged the Water District by \$3 million dollars and wanted to charge late fees that would have brought the bill up to \$5 million. It was settled for considerably less.

#### **APPROVAL OF AGENDA**

The next order of business was the Approval of the Agenda. Director Kary made the motion to approve the agenda, and Director Graves seconded it. The motion was passed unanimously.

#### **APPROVAL OF MINUTES**

Director Ewalt made the motion to approve the minutes for the October 15, November 10 and November 19<sup>th</sup> meetings. Director Kary seconded the motion. Motion was approved unanimously.

#### **CONSENT AGENDA**

President Essmann asked if there were any separation of the Consent Agenda. Several potential items were brought up, and it was suggested that those items be covered during the General Managers report. Director Ewalt made a motion to approve the consent agenda. Director Graves seconded the motion. The discussion continued and Director Ewalt rescinded the motion, so the Directors could ask their questions.

Director Ellis had a question about an error on the balance sheet. The entry for Stifel shows an incorrect amount in a cash account. The funds had been transferred several months ago, but apparently, the District's bookkeeper hadn't recorded the transfer or hadn't gone to the November source document to propagate the balance sheet. The General Manager was instructed to get this corrected.



Director Ellis also brought up the issue that when a bill that is questioned by a board member is not to be paid. The bill was paid anyway. The Board member had asked for an itemized bill for their review prior to payment. The General Manager, Bo Andersson stated that he has asked for an itemized bill and hasn't received it. The vendor told him that they don't customarily breakdown of their bill. President Essmann stated that it isn't unreasonable to request the detail of the work being done. The request for an itemized bill that shows the date of the service, what was done and the number of hours should be requested from Raftelis regarding the invoice for \$34,000.

Director Ewalt asked a question on Cost of Goods Sold report. He noted that it looks like the District was paying for more water than it sold. President Essmann requests a transaction report with the detail. This will help the Board understand.

Director Ellis asked where the refund of the State Fund had been deposited in the General Fund. And was it credited to the insurance expense? General Manager Andersson will verify how it was posted.

The discussion concluded and Director Ewalt made the motion to approve the Consent Agenda. Director Graves seconded the motion. The motion was approved unanimously.

## **MANAGERS' REPORT**

Director Ellis reminded the group that the Board has requested that the District Contract information be posted on the website. Assistant Manager Josh Simpson said the water purchase contract is on the site as one big document. The separated version has not been created yet.

President Essmann and Board are requesting a specific area be created on the website for the Consolidation Information so our customers and constituents can easily locate the information. He noted that this request was made three or four months ago and has not been completed.

**ENGINEERING REPORT:** Director Ewalt asked to be on record that the pipe described in the Manager's report should be 16" pipe throughout rather than different sizes within the project. General Manager Andersson stated that the diagram in the report is not the final. President Essmann requested that the project is designed with 16" so we don't have to re-do in the future. General Manager Andersson will communicate that to Interstate Engineering.

**INSURANCE CLAIM:** Director Ellis asked if the District had received a formal Demand letter the customer's insurance company that had a flood. General Manager Andersson said the letter was a rejection letter that was over a year old.

**EMPLOYEMENT POLICIES:** Director Ewalt asked about how a recent position was filled without the position being advertised to the public. This is part of the procedure in being an equal opportunity employer. General Manager Andersson answered that the new hire in question was a former employee and well qualified. He agreed that in the future all positions be advertised. This was a unique situation. Director Kary-



asked if the new hire was on probation. Assistant Manager Simpson said he's on probation. President Essmann reminded the group that new hires qualify for health insurance and related benefits on day one.

President Essmann posed the question if considering hiring seasonal employees would reduce the cost of employees. General Manager Anderson said that it takes about a year to fully train a new hire.

**ONLINE BILL PAY:** Director Ellis has experienced some issues using the Water Board's online bill pay portal. She wanted to know if anyone else had a similar experience. General Manager Andersson said it was a known issue and that it was being worked on.

The discussion was concluded and Director Kary made a motion to accept the Managers Report. The motion was seconded by Director Graves. Motion carried.

## **OLD BUSINESS:**

### **Board Committee Reports**

**Consolidation Study - Committee report** Director Ewalt report no change at this time. The committee is waiting for a response from city about ac pipe and cost of meters.

### **GPS Vehicles Policy - Committee report**

Director Ewalt said that the GPS units have been installed in all of the trucks. The Freightliner trucks are next.

### **Employee Handbook – Committee report**

Director Erpenbach said the updated handbook has been forwarded to Associated Employers Group. They have recommendations for the handbook. The committee will review their recommendations when they are received.

### **City Rate Negotiations – Committee report**

Director Kary: Nothing new to report. They are meeting on Thursday morning. Director Kary will send an update after the meeting.

### **RFQ for Audit – Committee report**

Director Ellis said that there is only one applicant, Strom & Associates. The committee was happy with the applicant. The Audit is due in June and if needed, the Board can apply for an extension. An engagement letter has been sent. Director Erpenbach stated that the quote is for an audit only. There may be other expenses. For example, they do not give legal opinions, so the Board may need to refer questions to the attorney.

To proceed, the 2025 Year End financial report needs to be complete when submitted to the Auditor. The Board asked the General Manager to review that statement carefully before they are submitted to make sure it contains no errors

Director Ellis made the motion to pass Resolution 061-25, Authorizing Employment of Auditing firm. The motion was seconded by Director Erpenbach. It was suggested that Strom added to the resolution. The motion passed as amended.

## **RFQ for Preparation of PER and CIP – Committee Report**

### **Resolution 059-25 Authorizing Employment of Engineering Firm**



Director Ewalt reported that only three engineering firms applied. The committee reviewed the three applications and recommended that the board hires Morrison-Maierle Systems. Director Ewalt made the motion that Resolution 059-25 be passed with Morrison-Maierle Systems being added. Director Kary seconded the motion.

PUBLIC COMMENT: Ming Cabrera expressed concern about a conflict of interest in the matter.

Motion was pass, 5-1. Directory Graves voting no.

### **Remove Resolutions not adopted from posting on District website and District Resolutions Book- 057-25**

President Essmann expressed his opinion that only the resolutions that passed should be included in the book and posted on the District's website. The purpose is to not confuse the public with things that didn't pass. The Resolution would remove those items from the book and website.

Assistant General Manager Josh Simpson expressed his disagreement with this policy. He feels that failed resolutions should be included for transparency. President Essmann mentioned that a resolution that had not been passed had been posted to the site, but not with the original language.

President Essmann, in reviewing the posted resolutions noted Resolution 008-25 that was on the website, appeared to be modified from its original form that appeared in the February minutes. He questioned how that happened. It is against the law in the State of Montana to falsify an official document and that it was fortunate that it had not been signed.

It was suggested that the resolutions not be numbered until the Resolution is passed. The President and Secretary will assign the numbers. This will keep the book clean.

President Essmann made the motion to approve the resolution, Director Ellis seconded it and the resolution was approved unanimously.

### **New Business:**

#### **Resolution authorizing Investment Account with Stifel**

Director Ellis made the motion and Director Ewalt second it to authorize the signing of the Stifel Resolution. Resolution was passed unanimously.

#### **Presentation on alternatives with respect to Replacement Meters**

General Manager Andersson and Assistant Manager Simpson made a brief presentation on the newer technology available for the water meters. The meters would transmit water usage to the Board office using cellular technology. No action was taken at this time as the study on consolidation is still underway.

#### **Resolution for Printing & Mailing President's Year End Report for 2025 Resolution 062-25**

The Board decided that to ensure that all of the County Water District's customers are up to date with the activity of the Board the President's Year End Report be mailed to each customer. Director Ewalt made the motion, and Director Ellis seconded it. The motion passed unanimously.



## **RENEWAL OF MATURING CD'S WITH STIFEL**

Director Ellis made a motion to Move to move the funds in the maturing CD with Stifel upon maturity to the Montana Board of Investments STIP account. Erpenbach seconded the motion. It passed unanimously.

### **Items for future Board Meetings:**

- Proposal of a Resolution to move funds from maturing CD's to STIP on an ongoing basis.
- Employee manual
- Employment Guidelines

### **Announcements:**

- **Board Work Session, 1 PM, December 29, 2025**, Conference Room of Associated Employers Group, 3435 Mountain Pass Rd Billings MT 59106
- **Next Board Meeting: January 21, 2026**

**ADJOURNED: 8 PM**



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Carolyn B. Bakker, Board Secretary