



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

September 17, 2025, at 6:00 PM

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

Pledge of Allegiance

CALL MEETING TO ORDER: President Essmann called the meeting to order at 6:00 p.m.

WELCOME AND INTRODUCTIONS:

Board Members present: President Essmann, Director Kary (via Zoom), Director Ewalt, Director Erpenbach, Director Ellis, Director Graves. Board Secretary Lena Loftsgaard was also present.

Staff members present: Bo Andersson, Josh Simpson

Also Present: Evelyn Pyburn, Mark Koerber

President's Remarks:

President Essmann discussed feedback he had received from the public who felt that their questions were not being answered. He stated his intention to improve moving forward.

Public Comment on Non-Agenda items:

None.

Agenda approval

President Essmann makes a motion to delete item #2 under New Business, RFQ for Audit of FY2025 Financials (Pg. 86-99). He says that RFQ means request for qualifications. He feels that that would mean that you would advertise, make the availability known, and solicit interested parties. What we have is a resolution already signed by the party that has done the audits in the past. He wants us to go through the RFQ process and see if there is any interest out there and to get the financials cleaned up. He believes that we would benefit from a fresh view of the financials.

Dir. Ewalt seconds.

Dir. Ellis states her agreement.

Josh Simpson mentions that there might not be enough time to do the RFQ and turn in the documents by their due dates.

Dir. Ellis mentions that the audit does not necessarily need to be complete by the due date. The state only requires the opening balance by the date.

Bo Andersson says that the audits need to be timely, accurate, and verifiable. He agrees with the president that we need to review the way the audits are made.

Dir. Erpenbach says he believes that we do need an audit to keep people honest and to assist in future ventures. He is in favor of getting another party to do the audit.

Vote to delete item #2: RFQ for Audit of FY2025 Financials: Motion passes unanimously.

Dir. Ewalt moves to remove item #1 under new business, Approval of Second Metered City Connection (Pg. 79-84).

President Essmann seconds for discussion.

Dir. Ewalt says we paid for three options from Interstate Engineering. The option in the resolution is the only one with a price associated with it. He looked at the other two options and found things he liked in the second option. He doesn't want to vote on one without examining all three options that we paid for.

Dir. Ellis says that she doesn't believe that we have received a price quote on any of the plans. We have already spent thousands of dollars on their studies and modeling. She would feel more comfortable if we got a second opinion from a second engineering firm.

Bo Andersson says the original was pegged at \$930,000. He highlights the benefits of the option to be voted on in the resolution. He thinks the worst thing the board could do is make no decision. He mentions that he and Josh Simpson discussed the options, and they preferred the scenario in the resolution. The other options do not come close cost wise.

President Essmann says he will support the motion to delete this item as he is unimpressed with the process. District staff and Interstate engineering have input, but the board has not. He believes that the board has not been given the information necessary to properly evaluate the best course of action.

Dir. Ewalt says he read over the report that Bo Andersson sent to the board. He asks to clarify that the report said that the new installation would support the area for twenty years.

Bo Andersson responds that all three scenarios would solve the issue. It boils down to the cost, timing, and convenience. He has had discussions with them. He will suggest that Interstate engineering make a presentation of the three options.

Further discussion was had regarding the board's frustration with the lack of cost information provided.

Vote to delete item #1 under new business: Motion passed unanimously.

Dir. Kary suggests that the board should put a date on this.

President Essmann agrees and says that it should be done by the next board meeting.

Approval of the minutes:

Dir. Ewalt moves to accept the August 20th minutes. Second by Dir. Graves.

Dir. Ellis mentions several corrections she would like to be made to the minutes.

Ellis moves to approve minutes with clerical amendments. **Second by Dir. Erpenbach.**

Vote to approve August 20th minutes with clerical corrections: Dirs. Essmann, Ewalt, Erpenbach, Ellis, and Graves approve. Dir. Kary opposed.

Approval of Consent Agenda:

Ewalt asks to separate item #2.

Ellis asks to separate Item #1

Dir. Ewalt moves to accept consent agenda items 3-9. Seconded by Dir. Graves.

Vote to approve consent agenda items 3-9: Motion passed unanimously.

Dir. Ellis asks about Item #1 Prepaid bills. The last few months there have been several charges for lead and copper testing. She asks if that is for any federal purpose.

Josh Simpson says that they are done every three years.

Dir. Ellis also asks about the expenditure on meters. Last year we spent \$2,300 and this year we budgeted \$117,000. She asks if that is because the meters are failing.

Bo Andersson says that much of the difference is because many of the batteries are reaching the end of their twenty-year life cycle.

Dir. Ellis asks if we know how many meters are reaching the end of that twenty-year life cycle.

Josh Simpson says it's around 15-25 a month that are failing. He mentions that he has to order the batteries ahead of time. We are sitting on more inventory than we would typically need to.

Further discussion was had regarding the life of the batteries and the possible implementation of a schedule to replace them.

Dir. Ellis also mentions that we have an item for \$2948 to pay for an AWWA membership for two employees, Josh and clay. She asks whether this is a necessary purchase.

Bo Andersson says it's a corporate membership and you get two members for free. Two names needed to be assigned. It's not a membership for the two employees, rather the employees' names happened to be the ones used for the membership.

Dir Ewalt moves to approve Item #1 Prepaid bills on the consent agenda. Dir. Graves seconds.

Vote to approve Item #1: Prepaid Bills on the Consent Agenda: Unanimously approved.

Dir. Ewalt wants to know why we are paying Interstate Engineering for leak detection. He asks why we don't get the guy who found the last leak. He is not impressed with the way Interstate has been dealing with us.

Bo Andersson responds that he agrees with Dir. Ewalt. He has noticed odd charges from Interstate Engineering such as a charge for them reading our reports. We have to be more careful when contacting Interstate without a task order.

Dir. Motion to approve item #2 on the consent agenda.

Dir. Erpenbach says the board needs to set up a formal change order process for Interstate Engineering.

Further discussion was had regarding Interstate Engineering and the possible implementation of a new, formal task order system.

Dir. Ewalt moves that we do not pay the bill from Interstate Engineering until the general manager has had a chance to talk with Interstate and remove the charges that are not justified. Seconded by Dir. Ellis.

Vote to hold of payment to Interstate Engineering until the general manager can discuss removal of the unjustified charges on the invoice: Motion unanimously approved.

Manager's Report: Bo Andersson

Bo Andersson talks about the district's current assets at \$10.5 million versus the Liability at \$76,000. He thinks we should hire someone to manage the Height's Water District's portfolio.

Dir. Essmann asks about four fire hydrants found to be out of order on the report.

Bo Andersson says that they have been repaired. He mentions that 93% of the hydrants have been checked.

Dir. Ellis says that there haven't been any updates since the general manager originally reported that 26% of the hydrants needed repairs but were operational. She asks if the repairs have been made.

Josh Simpson says they have. Many of the hydrants labeled "in need of repair" were simple repairs such as needing oil or an O-ring replacement.

Dir. Ellis moves to approve posting contracts and agreements on the website. Dir. Erpenbach seconds.

Dir. Essmann said he will support the motion.

Bo Andersson asks if they want all of the agreements or just the contracts with the City. He asks how far back we want to go.

President Essmann suggests posting all of the contacts that are currently enforced.

Dir. Ellis accepts amendment.

Public comment:

Jenn Burnside mentions that it may take some time to get those contracts up as there is sensitive information that will need to be redacted.

Vote to post all currently enforced contracts on the website: Motion unanimously approved.

Old Business:

- a. Reconsideration of Resolution 032-25 on Arbitration of Dispute with City
 - Resolution 039-25 (Pg. 138)

President Essmann mentions new information that was not posted forty-eight hours before the meeting. He does not want to go forward with this item today in order to avoid possible legal action for

a lack of proper disclosure. President Essmann asks to have a special meeting in order to do the proper posting and fulfill our needs to honor the law.

Discussion was had regarding an acceptable time for the board to meet and discuss the issue. The special meeting will be held on Tuesday, September 23rd at 9 a.m. to discuss reconsideration of resolution 03-25.

- b. Reconsideration of Resolution 030-25 on Appointment of Committee to study a Preferred Provider Plan (to allow the President to appoint a District employee and two Directors to the Committee)

Dir Ellis moves for the reconsideration of Resolution 030-25 and to allow the President to appoint a District employee and two Directors to the Committee. Second by Dir. Erpenbach.

Vote to reconsider Resolution 030-25 and to allow the President to appoint a District employee and two Directors to the Committee: Unanimously approved.

- c. Consolidation Study Committee report

Dir. Ewalt gives a status update on the consolidation study. We are still waiting to hear from the City.

President Essmann adds that it is his impression that Assistant Director Duray needed time to go through some information. We may be waiting for her to provide information to Kurtis DeShaw.

- d. Preferred Provider Study Committee report

Dir. Erpenbach says that he is ready to meet as soon as we find an employee name for the committee and set enough time aside.

New Business:

Item #3: Potential for revision of Fireline Policy (Pg. 101-103)

Bo Andersson states that there are standards on how you calculate your fire line rate. He suggests that we need to adopt a policy on the fire line.

President Essmann says we have a duty to the people in our district. Fireline is a cost that has discouraged new businesses and restaurants from coming to the Heights. We have to provide the public with potable water, but we don't want to be a barrier to businesses coming in.

4. Approval of Service Truck Bid policy (Pg. 104-105)

a. Resolution 040-25 (Pg. 106)

Dir. Kary moves to pass Resolution 040-25. Second by Dir. Erpenbach.

Bo Andersson briefly describes the truck bid policy.

Dir. Ellis says she objects to the scope. She reads "applies to all staff, board members, and contractors in the accrual of vehicles or equipment exceeding \$3,000." She points out that this is a vehicle purchasing policy and that everything else should be taken out of the resolution.

Dir. Kary says there could be a number of things that exceed the amount. This is equipment, not just vehicles.

Dir. Ellis says it is a vehicle policy for new service trucks.

Dir. Ewalt moves to make an amendment to change the resolution language from "service trucks" to "Vehicles." Dir. Ellis seconds.

Vote to amend the bid policy to "vehicles" and to remove the sentence about the scope of the bill:

Dirs. Essmann, Ewalt, Erpenbach, Ellis, and Graves approve. Dir. Kary opposed.

Dir. Ellis moves to accept the motion as amended. Second by Dir. Erpenbach.

Vote to adopt Resolution 040-25 as amended: Dirs. Essmann, Ewalt, Erpenbach, Ellis, and Graves approve. Dir. Kary opposed.

5. Approval of new service Truck Bids (Pg. 107-129)
 - a. Resolution 041-25 (Pg. 130)

Dir. Ewalt moves to approve Resolution 041-25. Dir Erpenbach seconds.

Vote to approve resolution 041-25: Unanimously approved.

6. Revised Employee Performance Rewards (Pg. 131-136)
 - a. Resolution 042-25 (Pg. 137)

No motion.

7. Black Mountain Customer Billing (Pg. 144-157)
 - a. Resolution 044-25 (Pg. 143)

Dir. Ellis moves to approve Resolution 044-25. Second by Dir. Erpenbach.

President Essmann mentions that he approves of the change as he enjoys autopay for his bills for his personal businesses. He asks Bo Andersson how the extra employee time will be used to provide value to the customer.

Bo Andersson discusses the value gained by the new software.

President Essmann mentions consolidating employees to save on costs in the future.

Dir. Erpenbach asks if you can see history of use or payment.

Bo Andersson confirms.

Dir. Ewalt asks if the Black Mountain Software will be more user friendly in the autopay than it has been in budgeting.

Bo Andersson says it should aid operations.

President Essmann asks what the timeline for implementation looks like.

Josh Simpson says it will likely be in the next month or so.

Vote to approve resolution 044-25: Motion passed unanimously.

Bo Andersson briefly discussed the proposed resolution 043-25.

No motion.

Items for future Board Meeting:

Tuesday meeting

Announcements: October Board meeting will be @ 6:00 pm on October 15th, 2025

ADJOURN 8:23 p.m.

Board Secretary, Lena Loftsgaard

Board President, Jeff Essmann