



## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### Board Meeting Minutes

DATE: April 15, 2026, 6:00 pm

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

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The Pledge of Allegiance was led by Director Kary and President Essmann called the meeting to order at 6 pm.

The Board Secretary carried out a roll call of the Board Members. Directors Ellis, Ewalt, Erpenbach, Kary, Graves, and President Essmann were all present, establishing a quorum.

President Essmann introduced Blaine Oborn, the new Interim General Manager and welcomed him to the District. Also, in attendance were Assistant Manager Josh Simpson and Board Secretary Carolyn Bakker. Community members present were Evelyn Pyburn (Yellowstone Valley News), David Bakker, Jeff Ketelsen and Brett Burkes.

#### President's Remarks

President Essmann read President's Remarks regarding the conduct of the meeting as follows: 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 on anything not on the agenda but within the authority of the Board**

Jeff Ketelsen, a Billings City resident addressed the group regarding information he had learned at a recent Billings Public Works Department Budget meeting. He reported that the City of Billings is proposing a 28% water rate increase to the District, a 9% increase in the Garbage fees and 7% increase for commercial properties. He proposed alternatives to those increases and suggested that residents contact their City Councilman about these increases.

President Essmann asked the Board members if anyone wished to respond to Mr. Ketelson's remarks. No responses were offered.

**Approval of Agenda: Director** Kary made the motion to approve the Agenda as presented. Director Graves seconded the motion. The motion was approved unanimously.

**Approval of Minutes:** Director Ellis made the motion to approve the minutes for the following meetings:

- Regular Meeting of March 18, 2026
- Special Meeting of March 27, 2026

Director Ewalt seconded the motion. The motion passed unanimously.

**Consent Agenda:**

- i. Balance Sheet
- ii. Income & Expense Statement Summarized
- iii. YTD Actual vs Budget
- iv. Investments
  1. Stifel Statement
  2. Montana Board of Investment (STIP)
- v. Payment of Bills
  1. Previously approved and paid bills

Director Kary moved to approve the Consent Agenda, seconded by Director Graves. Director Ellis requested separating the Balance Sheet, noting a discrepancy with the STIP statement and asking IGM Oborn to review and correct it. The motion passed unanimously.

**Manager's Report:** IGM Oborn reported on the progress of projects he is working on such as the Rate Study, Budget and Audit. He reported that the staff has forwarded the required info to the auditor and to the company preparing the Rate Study. He expressed his pleasure in working with the Board and is committed to serve the Board, the Staff and the Districts customers.

Director Ellis asked if the Black Mountain software read only access had been provided to the auditors. Director Ellis suggested that he contact the auditors to confirm.

Assistant Manager explained that the MIDCO company that completed the recent tank inspections is offering a quote for the 2030 inspection to lock in the price. There was a discussion about whether considering a contract that far out was advisable at this time. Director Ellis commented that the board acts by Resolution and no resolution was provided. Also, board policy requires that all contracts be reviewed by our attorney prior to

signing. Director Ellis suggested spending money to review a contract for four years in the future when we may consolidate is not wise. Within four years, all current board members' terms will end, and we will be committing future boards to an expenditure they have the right to review. President Essmann recommended deferring consideration of this proposal for a later date.

Assistant Manager Simpson has been working with First Interstate Bank to update the signature cards on the District's First Interstate's accounts to remove former Water Clerk Suzie McKethen and add Nadine Dworshak. First Interstate requested that the Board meeting minutes reflect the Board's agreement with this change. Ellis made the motion and Director Erpenbach seconded the motion. The motion passed unanimously.

## **Old Business:**

### **Board Committee Reports**

**Audit Committee Report** – Director Ellis reported that the committee had forwarded the list of reports and data that the Strom & Associates had requested for the pending audit to IMG Oborn.

**Consolidation Study Committee Report** – Director Ewalt reported that the committee is still waiting on the City to be able to resume discussions. Billings City Manager Chris Kukulski will ask Jennifer Duray, Deputy Director of Public Works, to set up meetings to get the consolidation project moving forward.

**Executive Search Committee Report** – Director Ewalt told the group that now that we have an Interim General Manager in place, the committee will turn their efforts towards recruiting a new General Manager. They are waiting for information back from GMP regarding candidates. Director Ewalt received an application that Director Ellis forwarded to GMP.

### **CIP Committee Report on SRF efforts**

President Essmann reported that the **Congressional Directed Spending Grant (CDS)** application has been submitted by the deadline. He had an inquiry from Senate staff asking him if a smaller amount be acceptable. President Essmann replied that the 50% request would be preferable because the District has several other projects that will require funding.

President Essmann reported on the **State Revolving Fund Loan (SRF) application procedure**. He explained that the process involves State issued general obligation bonds and requires establishing a preliminary environmental review. The Dorsey Law firm is suggested for the bonding process. The SRF Loan would be used for cost of replacing the cast iron pipe along Main Street. The cast iron pipe has been involved in many of the leaks in the system.

Director Ewalt asked if the Board received an update on the cost to upgrade the pipes in the City's project between Bitterroot and Hawthorne on East Wicks from Intermountain Engineering. It had been requested by the Former GM, Bo Andersson.

Nothing had been received at this time. President Essmann did bring up that the preparation of the SRF preliminary environmental review could be incorporate the research on the need for the upgraded pipe size on Wicks.

Director Kary moved that IMG Osborn contact to see of Interstate Engineering had received a request to estimate the cost of modeling analysis the need for a larger transmission on the Wicks Lane project.

Director Ellis asked if the City they would allow an increase in pipe size. She also suggested a second firm that might also do a modeling study. IMG Oborn said he would look into it.

**Rate Case Committee Report** – Director Graves reported that IMG Oborn and Chris Gonzales from FCS are working well together. The Board asked for an update when they think the report will be available. IMG Oborn will ask for an update.

**Budget Committee Report** – Director Erpenbach reported that the committee has been talking and are planning on meeting on Friday to work. After that meeting, they will make an appointment to visit IMG Oborn to review the budget process.

### **Second Reading- 001-26 Ordinance to Annex Properties**

#### *001-26 ORDINANCE TO ANNEX PROPERTIES*

The motion to approve the Annexation of streets that have been added to the District's services so that the property owners may be added to the voter rolls was made by Director Ellis and seconded by Director Erpenbach.

During the Public Comment time available, Jeff Ketelsen commented about the need for impact fees that are paid by developers to offset the cost of the additional customers.

The Board voted on the Annexation Resolution, and it was passed unanimously.

### **New Business:**

#### **Resolution to approve purchase of computers for General Manager and Board Secretary**

##### *017-26 RESOLUTION PROVIDING PURCHASE OF OFFICE EQUIPMENT*

Director Graves made the motion to approve the resolution to the purchase of computers for the General Manager and the Board Secretary. Director Erpenbach seconded the motion. During the discussion, Director Ellis asked for the cost of the proposed computers. She stated that she was uncomfortable voting for a resolution without a specific amount. She also inquired if there is a list of the assets of the District. IMG Oborn will research such a list.

Director Ewalt mentioned that the Resolution does have a space to specific the amount. Director Graves made a motion to amend the Resolution to fill in the blank for \$5,000. He made a motion to amend, and it was seconded by Director

Ewalt. The motion to amend passed unanimously.

Director Ewalt made the motion to approve the Resolution as amended; Director Erpenbach seconded the motion. During discussion, AM Simpson suggested that they utilize the company that the purchase of the other District computers. This would help to ensure that the computers are appropriately configured for working with the Districts network. President Essmann acknowledged that was a good idea and to discuss that with his boss, IGM Oborn. The vote was taken and the Resolution passed unanimously.

### **Discussion of Insulation of uninsulated west shop doors to reduce heat loss and heat gain**

Director Graves explained that the west shop doors should be insulated to reduce the heat loss in the winter and heat during the summer. Installing insulation would save the District money. Director Ewalt asked if insulation could be added by staff. Director Ellis suggested this project may fall under the District's purchasing policy and that IMG Oborn explore the cost. If the cost is above the purchasing policy's guidelines of \$7500, then he could propose a resolution to fund the cost of the improvement.

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

Discussion of Impact Fees and System Development Fees - IMG Oborn to study and report.

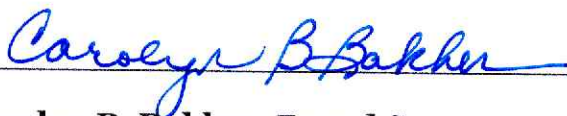
### **Announcements:**

**Next Board Meeting: May 20, 2026, 6-8**

### **Executive Session with Presentation and Discussion of Recommendations for Organizational Analysis**

This portion of the meeting was closed to the public because the chair determined that the privacy rights of District employees outweigh the merits of public disclosure. The closed session was fact gathering only and all deliberations and decisions to be made based on the facts will be done in open session. All members of the audience were asked to exit. The Board Members, IMG Oborn and Board Secretary Bakker were asked to remain for the presentation. President Essmann appointed David Bakker to serve as Sergeant of Arms.

### **ADJOURNMENT**



**Carolyn B. Bakker, Board Secretary**