COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board Meeting Minutes

Wednesday, July 15, 2026, 6 PM

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

The meeting was opened with the Pledge of Allegiance and President Essmann called the meeting to order at 6 PM. Board Secretary Bakker called the roll. Directors Ellis, Ewalt, Erpenbach, Kary, Graves and President Essmann were present and a quorum was established. Also in attendance were General Manager Oborn, Board Secretary Bakker and Evelyn Pryburn (Yellowstone County News). A list of attendees that are viewed online is attached.

Since Evelyn Pryburn was the only member of the public present and has attended multiple meetings, President Essmann dispensed with the reading of the instructions for the conduct of the meeting. He asked if there was anyone wishing to make public contact. No one offered comment.

Approval of the Agenda

Director Ellis made the motion to approve the agenda. The motion was seconded by Director Kary. The motion passed unanimously.

Approval of Minutes

Director Ewalt made the motion to approve the minutes for June 17, 2026, June 24, 2026, and June 30, 2026. The motion was seconded by Director Graves. Director Ellis had a question regarding the amount of a Commercial rate attributed to her motion in the June 24th minutes. President Essmann pointed out that her motion was not seconded or voted on, so the amount was immaterial. The motion passed unanimously.

Manager's Report

The Manager's Report was presented by General Manager Oborn. He gave an overview of prior month's activities. Topics included an update on the audit results, a progress report on the Leak Detection project and a staffing vacancy caused by the departure of the Jenn Omocioli.

GM Oborn reported that he had done a preliminary assessment of options for managing the vacant bookkeeping position. President Essmann asked about the viability of using a temporary employee to relieve some of the strain on the remaining office staff, allowing for time to review the job description. Director Ellis told the group that Lockwood Water operates with one office person and hires a temp during vacations.

Director Ellis made a motion to authorize General Manager Oborn to hire a temporary employee. The motion was seconded by Director Graves. There was a discussion about setting some parameters for hiring a temp. Director Kary made a motion to amend the motion to limit it to less than 40 hours, for no more than 90 days while a permanent solution pursued. The amended motion passed unanimously.

President Essmann asked GM Oborn if a temporary bump in Nadine's compensation would be in order until a permanent solution to the vacancy is found. President Essmann made a motion to authorize an increase of Nadine's hourly rate by \$2.50 per hour. The motion was seconded by Director Kary. The motion passed unanimously.

GM Oborn reported that the company doing the Leak Detection is scheduled to begin on July 22-23, beginning in the Hilltop area and then moving onto Main Street. President Essmann recommended that schedule be established for Leak Detection work to be done over 3 days per month through November. A report submitted each to the Board within two weeks of each study. The first report to be available for the August meeting.

President Essmann asked if any fire hydrant testing had been started this summer. GM Oborn responded that he had asked about hydrant testing and was told that they can't do that during the cold months. When he asked again this summer, he was told that they didn't have time to do it as they were busy patching leaks and other maintenance activities. President Essmann stated that it is the District's duty to test the hydrants annually to be following DEQ requirements. If the staff can't get it done, then we need to get it done by other means. He recommended hiring Peak Services to test the hydrants- needed to ensure safety for our customers. Peak Services could also to test water pressure at each hydrant since that information is needed for the Hydraulic Report being prepared by Morrison Maierle, A motion was made to approve an expenditure not to exceed \$15,000 to test the hydrants and test the water pressure at those hydrants. Director Erpenbach seconded the motion and the motion passed unanimously.

GM Oborn recommended postponing any modification of the Budget Billing program until the October meeting. Director Ellis suggested that this be added to the GM's goals

Consent Agenda

President Essmann asked GM Oborn if there is a procedure in place to handle to 2 CD's that are approaching maturity. GM Oborn said there was and the funds would be moved to STIP as per the established policy.

Director Ewalt made the motion to approve the Consent Agenda and it was seconded by Director Ellis. The motion passed unanimously.

Old Business

Report on Work Tracking software

Oborn reported on his research on options for Work Order systems that would help track the details of service orders being completed. To assist the General Manager in reviewing the software options a committee was formed comprised of Directors Ellis, Graves and Kary. Director Kary was asked to Chair the committee. The goal is to better track everything that happens on a workday with the field staff and to better serve the District's customers.

Resolution to Pay Late Interstate Engineering Invoice for NW Transmission Project

GM Oborn offered a recap of the history of the invoice from Interstate Engineering for work done on the NW Transmission line. The invoice was submitted May 15, 2026, for services performed April 7, 2024, to April 16, 2025, for $16,920. Director Ellis expressed her opposition to paying the invoice as they had not provided the details of the work done that had been requested. President Essmann made a motion to approve the payment of the Interstate Engineering invoice, and the motion was seconded by Director Kary. President Essmann explained that his recommendation to pay the invoice was that fighting it would cost significant legal fees, with lawyer billing rates, it would be easy to blow through $16,000 in a hurry. It would be in the best interest of the District to resolve this and move forward. A roll call vote was conducted. The motion passed 4-2, Directors Ellis and Ewalt voting no.

New Business

Resolution to Approve Website CivicPlus Upgrade

Director Ewalt made a motion to approve the agreement to upgrade the existing District website to a new CivicsPlus platform called "Web Central". The new platform will provide enhanced features that will be beneficial for the District's customers. The motion was seconded by Director Erpenbach and was passed unanimously.

Resolution to Request RFQ for Bank Services

Director Ewalt made the motion to approve the Resolution to send Request for Qualification (RFQ) for Bank Services. The motion was seconded by President Essmann. Director Kary asked if we have received any responses. GM Oborn explained that once the resolution is passed, he will post the RFQ in the paper two times and mail the RFQ to the banks in the area. President Essmann suggested having the full Board score the responses to narrow down the selection. The motion passed unanimously.

GPS Management Policy

Director Kary made the motion to approve the revision of the Employee Policy Manual regarding the management of the Samsara GPS system. GM Oborn explained that the revised policy clarifies who and what is being tracked and the duties of the manager and board president. The motion passed unanimously.

FCS 2026 Water Rate Update - Phase 2 Proposal

President Essmann made the motion to approve the Proposal for the 2026 Water Rate Update. Director Kary seconded the motion. The purpose of the study is to review the recently adopted rates for certain classes to ensure that they are following MCA 69-7-101 and 7-13-4304 rules.

. Essmann suggested one on-site meeting with the developers and any additional meetings be virtual meetings. Ellis spoke in favor of including the stakeholders. The original resolution draft had a blank left for a specific amount to be named. President Essmann amended his motion to fill in that blank with the amount of $66,580. Ewalt seconded the motion. Director Ellis made a motion to have Phase 2 study look at the feasibility of removing the credit card service fees. She expressed the hope that this would improve the customers' payment of their water bills. Director Erpenbach seconded the motion. President Essmann expressed his opposition of including that item in the rate study. Director Kary mentioned that removing the credit card fees would result in raising the rates on all customers. The motion failed 5-1, Director Ellis voting yes. The vote on the original motion passed unanimously.

Resolution to Participate in the State of Montana 457(b) Deferred Compensation Plan

Director Kary made a motion to approve the adoption of the State of Montana 457(b) Deferred Compensation Plan. The motion was seconded by Director Graves. GM Oborn gave an overview of retirement plans for consideration by the Board. He recommended participation in the State of Montana 457(b) Deferred Compensation Plan. This Plan is administered by the Montana Public Employee Retirement Administration (MPERA). Paychex, the current administrator of the current 401(k) plan, does not offer this product. The State of Montana 457(b) program has low fees and would be available to all employees. Director Ellis stated that employees enrolled in the 457(b) program are 100% vested up front, where the 401K has a 5-year vesting rule. The motion passed unanimously.

Renewable Resource Planning Grants and Funding Program (RRG Planning Grant)

GM Oborn explained that Morrison-Maierle just advised him of the availability of a RRG Grant. It has an August 21st deadline and asked that the consideration of it be added to the agenda as an emergency item. Director Ellis asked if the District is eligible to apply since it had a grant previously. President Essmann said the earlier one had been cleared, and the District can apply for this one. Task Order 4 from

Morrison-Maierle authorizes them to prepare the application for the grant President Essmann made a motion to approve Task Order 4 with the cost not to exceed $20,000. Director Erpenbach seconded the motion. The motion passed unanimously.

Items for consideration for future meetings:

Employee Manual Committee Report
Bank RFQ Update
Meter Committee report
Reserve policy
Annexation Request for 1513 Rawhide Strip
Leak Detection Report
Fire Hydrant Testing Report
Organizational chart

Announcements:

Next Board Meeting: August 19, 2026, 6 pm

Executive Session

President Essmann adjourned the public portion of the meeting and cleared the room. The Board went into an Executive Meeting that was closed to the public because the chair has determined that the individual privacy rights of District employees, including information and reports about workplace conduct, and such rights outweigh the merits of public disclosure. The closed session will be fact gathering only and all deliberations and decisions made based on the facts will be done in open session.

Carolyn B Bakker

Carolyn B. Bakker, Board Secretary