COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Regular Meeting MINUTES

Wednesday, September 16, 2026, 6 pm

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

The meeting was opened with the Pledge of Allegiance led by Director Graves. President Essmann called the meeting to order at 6 pm. Secretary Bakker called the roll. Directors Ellis, Erpenbach, Ewalt, Kary, Graves and President Essmann were present and a quorum was established. Also in attendance was General Manager Oborn, Board Secretary Bakker, and Evelyn Pyburn (Yellowstone Co. News) were also present. Attending remotely was Thing 7 and Michael Miller via Zoom.

President Essmann dispensed with the President's Remarks on Conduct of Meeting as all in attendance had been at meetings in the past. He asked if there was any Public Comment and none was offered.

Approval of Agenda

Director Kary made the motion to approve the Agenda and Director Graves seconded it. The motion passed unanimously.

Approval of Minutes

Director Ewalt made the motion to approve August 19, 2026, Board Meeting and August 28, 2026, Special Meeting minutes. Director Erpenbach seconded the motion and the motion passed unanimously.

Manager's Report

General Manager Oborn gave a brief overview of his Managers Report. He reported that he is working to complete the audit closing entries that were recommended by the auditors and those entries should be completed by the end of the month. He also noted that the August revenue is under reported by $1.1M as the journal entry hadn't been made yet.

He reported that 2 leaks had been identified while Rocky Mountain Leak Detection was here in August. They will be back at the end of the month to continue inspections.

He updated the Board on the conversion to having Black Mountain Software for utility billing and bookkeeping services. He has had meetings with them to get the transition underway. The new Utility billing system will begin next month. That month will still have postcards, but the following month will have letter size bills.

Director Ellis asked how billing errors are addressed and how the leaks are being fixed. She noted that one leak from July is still shown on the current report. GM Oborn replied that

the Utility Clerk has been doing a great job handling complaints and keeping him informed of issues. The staff is working on the leaks.

Director Ewalt asked how to get more people to get more people to receive bills via email. This would save money for the district and its customers. It was suggested that an insert be included in the utility bill mailing once letter size bills are sent to promote the concept to the customer.

Director Graves asked if the lack of jobs being done was a result of not getting work done a result of not having 5 employees.

President Essmann asked the GM to review how much time is involved in processing ach payments. He would like to look at ways to reduce the data entry by the staff.

President Essmann told GM Oborn he was grading himself a little hard on his Manager's report. He has items marked as Critical have had enough progress, that they could be moved to "Needs Attention".

Specific Issues

The Board has asked for updates on specific issues and projects:

State of Montana Request for Corrective Action Plan on FY25 Audit

GM Oborn has been implementing the areas that needed to be addressed as noted in the Audit and the letter from the State of Montana. A letter is being prepared to respond to the State.

Fire Hydrant Testing

Peak Services are halfway through the 175 hydrants that were assigned to them. They tested the specific hydrants that were requested by Morrison-Maierle. The Board asked for a proposal for completing the remaining hydrants. Director Kary mentioned that cold weather is coming and the testing should be completed before that. Director Ewalt asked how the District was going to pay for the testing of the additional hydrants. He went on further to ask if this is something that the staff should be doing? President Essmann replied that the challenge is from staff resistance to change.

Director Ellis made a motion to authorize the GM to enter a Task order with Peak Services to complete the testing and servicing of the remaining hydrants. President Essmann seconded the motion. The motion passed, 5-1. Director Ewalt voting no.

Badger Meter Repair

Non-communicating meters results in having to estimate the customer's bill. The goal is to repair the communication part of the of the meters to correct the non-communicating meters. GM Oborn reported that Peak Services is available to assist in that project.

Update on Samsara Reports and Identification of Driver and relation to scheduled task

GM Oborn is working on getting the reporting set up. The delay was due to the

language in the prior Employee Manual prohibiting access of the required information and employee resistance. That language in the manual has been corrected through a resolution, and he will be able to access the required reports. He also stated that there is a program available through Samsara that can integrate to monitor fuel consumption. President Essmann said that the policy gives the President the authority to review the reports. He offered to work with Samara to pick out the reports.

Options for Employee Time Keeping and Conversion to Post Pay Period paycheck preparation

GM Oborn will set up a time-keeping procedure and implement a 8-5 work schedule with a one-hour lunch. The revision of pay periods requires revision to the Personnel Manual and a recommendation of a 30-day notice.

Consent Agenda

Director Ewalt made the motion to approve the Consent Agenda listed below. Director Erpenbach seconded the motion and the motion passed unanimously.

Monthly Financial Reports
- Balance Sheet
- Revenue YTD Actual vs Budget
- Expenditures YTD Actual vs Budget June
- Payment of Bills- Check Register
- Investments
  - Stifel Statement
  - Montana Board of Investment (STIP)

Old Business

Banking Committee Report – Director Erpenbach reported that interviews with the banks are scheduled to start next week. Director Ellis said she had done some research on banks. She told the group that the City of Billings, and Yellowstone County are both with US Bank. She suggested considering US Bank or staying with First Interstate Bank. President Essmann responded that the banks that had responded did include pricing. He reminded the Board that First Interstate Bank had in the past, failed to follow Board instructions regarding signature cards. Director Ewalt asked the committee to follow the prescribed protocol and interview the responding banks.

Director Ewalt made a motion that the RFQ Committee interview process and directing President Essman to name a committee member to replace GM Oborn, freeing him up for other duties. Director Erpenbach seconded the motion. The motion passed 5-1, Director Ellis voting no.

Meter Study Committee Report – Director Ewalt reported that the Request for Information (RFI) had been sent out. The response from Kamstrup was only response received at this time. A Kamtrup meter is currently being tested at Director Kary's home. It is running along side of the Badger Meter. September 30th is the deadline for

responses.

Adoption of Recommended Organization Chart and Advertisement of Position

Director Ellis made the motion to approve the adoption of the revised Organizational Chart. Director Kary seconded the motion. GM Oborn commented that the change to the chart removes the Assistant Manager position and adds an Operations Manager position. He stated that the current job descriptions are quite vague and clearer descriptions are in order. President Essmann will appoint a committee of three board members and the GM to develop a specific job description for Board approval as well as recommendations for posting the position. The motion passed unanimously.

Policy to Revise Fund Equity Reserve and Designation Policy

Director Ellis made a motion to approve the Resolution to Revise the Fund Equity Reserve and Designation Policy. The motion was seconded by Director Erpenbach. President Essmann told the board that the resolution wording is flexible enough that it will cover any new reserves as needed. The motion passed unanimously.

Revisions to Employee Manual

Director Erpenbach made a motion postponing the approval of the revised Employee Manual. The motion was seconded by President Essmann. The motion passed unanimously.

New Business

Discussion of Conversion of Billing to Zones

There was a discussion about creating billing zones to change from billing all customers at the same time to billing by zone. This would spread the workload over the month. This change would move billing from 4 times during the month vs monthly. Director Kary suggested that when developing the zones, that population growth trends be considered.

RFP for Comprehensive Security System including Cameras and smoke detection

President Essmann led the discussion of the need for a security system for the protection of the District's facilities including the office and the pump stations. The system should include cameras and smoke detection. Director Kary suggested that the project may be under the $80K threshold and would not need a Request for Proposal (RFP). President Essmann said that the $80K rule doesn't apply. The Board can set up its own rules as to what thresholds would require a RFP and what is with in the General Managers discretion.

The Board recommended getting bids for security systems. Director Erpenbach offered to assist as he has experience in designing security systems.

Appointment of Committee to Study Employee Benefits package

President Essmann suggested that the Board review the employee benefits packages being offered, looking at different options such as cafeteria plan so that employees choose benefits. Director Ellis made a motion to authorize President Essmann to form a committee to review options. Director Erpenbach seconded the motion. The motion passed unanimously.

Items for consideration for future meetings

- Operation Manager Job Description
- Internet Provider Contract

Announcements:

Next Board Meeting: October 21, 2026, 6 pm

Executive Session on Litigation and Employee Issues

This portion of this meeting was closed to the public because the chair 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.

ADJOURNMENT

Carolyn B Bakker

Carolyn B. Bakker, Board Secretary