COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

SPECIAL MEETING MINUTES

Tuesday, September 22, 2026 9 am

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

The Special meeting was opened with the Pledge of Allegiance. President Essmann called the meeting to order and asked the Board Secretary to call roll. Directors Ewalt, Graves, Erpenbach and President Essmann where in attendance and joined by Directors Ellis and Kary via Zoom. A quorum was established.

As there where no member of the public in attendance other that Evelyn Pyburn of the Yellowstone County News, President Essmann dispensed with the President's Remarks and Instructions. He asked if there were any public comment, none were offered.

Approval of Agenda

Director Ewalt made the motion to approve the agenda, and Director Graves seconded the motion. The motion passed unanimously.

New Business

Approval for President to sign engagement letter with Strom and Associates for Fiscal Year 2026 Audit

Director Ewalt made the motion to authorize President Essmann to sign the engagement letter with Strom and Associates to conduct the Fiscal year 2026 Audit. Director Graves seconded the motion. Director Ellis asked if there were any significant changes in the engagement letter since a copy was not included. President Essmann stated that there weren't any significant changes from last years letter and the effective part is based on the State contract. The motion passed unanimously.

Resolution authorizing budget expenditure for Security System Improvements for District Facilities

General Manager Oborn gave an overview of his research on Security cameras for the District's office and buildings. He reported that the estimate would be between $20,000 and $40,000. Director Erpenbach suggested that cameras at the pumpstations would be considerably higher due to the communication requirements. President Essmann asked what the expense would be for re-keying the facility and if an electronic access system would be feasible.

Director Ewalt asks how many cameras would be needed. GM Oborn said around 6. Director Ewalt didn't think that would be enough. He also suggested that the keys to the pumpstations should be different that the offices. Director Graves suggested that the pumpstation keys be controlled by being checked out. Director Erpenbach suggested that the keys be a type that can't be readily duplicated.

Director Ellis made a motion to approve an expenditure of $30,000. Director Erpenbach seconded the motion. During discussion of the motion, President Essmann asked the group how they would like to proceed in getting bids. The resolution covers cameras, access control and cyber protection. Director Ellis asked if it included fire protection. President Essmann asked if the building has flammable materials. They agreed it did, since the shop is attached to the offices. Director Ellis amended her motion to increase the budget to $45,000 and add fire alarms to the resolution. Director Erpenbach seconded the amended resolution. The resolution passed unanimously.

Resolution authorizing budget expenditure for Completion of Hydrant and Valve Testing
Director Ellis made the motion to approve the Resolution the budget expenditure for the completion of hydrant and valve testing. She recommended that the resolution have language added to clarify that the contract does not include repairs, material and labor without written consent of the Board. GM Oborn stated that the estimated cost of the at $55,670. Director Kary seconded the motion as amended with the additional language and the specified cost. President Essmann asked if the report includes repairs. GM Oborn said that it did not, but it did identify the hydrants and valves needing repairs. Director Ewalt told the group that there are two types of repairs - maintenance and non-functional hydrants. The motion passed 5-1, with Director Ewalt voting no.

Resolution to move all ACH processing to Black Mountain Service on or before December 31, 2027, with processing costs to be borne by District.
Director Erpenbach made the motion to approve moving all of the Automated Clearing House (ACH) to Black Mountain Systems. Director Kary seconded the motion. Director Ewalt what the cost of the processing is. GM Oborn told the group that Black Mountain charges $1.95 per transaction. President Essmann asked that the timing of ACH Payments be such that the bills were sent out before the transaction was processed. Director Ewalt asked that since the various banks call different rates, how does that affect this. GM Oborn said that it's a flat rate and won't be an issue. President Essmann commented that the benefit of the change is increased accuracy and improved customer service. The motion passed unanimously.

Announcements: Next Board Meeting: October 21, 2026, 6 pm

Executive Session on Litigation and Employee Issues
This portion of this meeting will be 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.

ADJOURNMENT

Carolyn Bakker

Carolyn Bakker, Board Secretary