COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board Meeting Minutes

Wednesday, October 21, 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 Ewalt and called to order at 6 pm by President Essmann. Secretary Bakker called the roll. Directors Ellis, Ewalt, Erpenbach, Graves, Kary and President Essmann being present and a quorum was established.

Also in attendance were General Manager Oborn, Board Secretary Bakker. Guests in attendance were Evelyn Pyburn of the Yellowstone County News, Mark Koerber, and Roy Neece. Since the guests in attendance had all attended Board meetings, President Essmann dispensed with the Conduct of the meeting remarks. He asked if there were any public comments and none were offered.

Approval of Agenda:

Director Kary made the motion to approve the agenda. Director Ewalt seconded the motion. No discussion was offered and the motion passed unanimously.

Approval of Minutes:

Director Ellis made the motion to approve the minutes for the September 16, 2026, Board meeting and the September 22, 2026, Special Meeting. The motion was seconded by Director Erpenbach. The motion was passed unanimously.

Manager's Report:

General Manager Oborn gave updates on the various projects that he had been working on over the past month.

He reported that the outsourcing of the utility billing to Black Mountain Systems (BMS) was progressing and showed a sample of the new billing format. The new bills will be full-size paper that allows for more information to be provided to the consumer. Director Ellis recommended that the bills be itemized to show the water usage, meter charge and line repair fee. President Essmann agreed with the recommendation and asked that the format change be applied as soon as possible so that it doesn't appear to be an increase. The new layout includes an "Important Information" section that can be used to highlight information for the customer. Director Ewalt mentioned that having that section printed in a different color would help draw attention to it. The format also includes a usage info chart. Director Ewalt suggested a bar graph might be easier to read. GM Oborn said he would contact BMS to see if those suggestions could be made in time for the upcoming billing period.

To reduce the number of non-reporting meters, the staff has been working on changing out the failing meters. There are about 90 meters that are not reporting and the customer is getting estimated bills. Twenty meters have been replaced. President Essmann expressed his concern that they could not get more changed out. GM Oborn reported that most days he is short staff. In the last two weeks there was only one day that all 3 three operators were in attendance.

GM Oborn reported on the progress in moving the back-office functions such as bank reconciliations and general ledger to BMS. He reported that they are in the process of catching up the bank

reconciliations and helping to get the accounts balanced. They are getting bank statements reconciled and helping to get the accounts balanced. President Essmann noted that they need to finish the FY 25-26 before they can start the current fiscal year. GM Oborn expressed his appreciation for the BMS's staff's expertise.

GM Oborn reported on that the funds from the maturing CD's are being transferred in the STIP accounts.

GM Oborn suggested exploring the option of charging the City of Billing for the service of sending meter reads so they can use the information in calculation of the sewer bills for District customers. President Essmann suggested addressing that at a different time.

GM Oborn told the group that East Wicks project is scheduled to go before the Billings City Council at their October 26 meeting. Essmann asked if we have any idea of what the cost to the district would be. Director Ewalt told the group that we won't know until it goes out to bid. Director Ellis asked if it would be cost savings to get the bids sooner than later. Director Ewalt explained that the timing isn't going to save money, as the bid is based on when the work is expected to be done.

GM Oborn updated the group on the building security projects he is pursing. The key upgrade is underway using MT Lock Doctor. He has received three bids for the installation of security cameras and is also getting bids on a fire alarm system. He advised the board that the $45,000 that the Board had previously approved may not be enough.

He reported that the non-revenue water was down by- 12.2% and within goal. That number may go up as the result of the recent leak on Agate.

Director Ewalt told GM Oborn that the Pony Drive repair still has gravel in the street, and the weather is starting to get cold, so the asphalt plants will be shutting down. Director Graves mentioned other areas that need repair. President Essmann recommended that leaks don't be considered complete until the patch is complete.

Director Ellis raised a question regarding meters being shut off for non-payment of bills. She asked if the notices had been sent out. She reminded the GM that the shut offs are required by law to be done between 9- noon. GM Oborn stated that he and Assistant Manager Simpson are working on getting a plan for the shut offs. There are 318 late notices in September and 320 in October. Many of the people will pay when they receive late notice, so that will reduce the number of shut offs being scheduled.

Director Ellis made motion that the District doesn't shut off water on any meter that isn't working and the customer is getting estimates. Director Erpenbach second the motion. President Essmann added that if the staff can't get the meters changed out in a timely manner, that hiring an outside company might be in order.

Director Kary offered an amendment to add a late fee to those bills. No second was offered. President Essmann requested a roll call vote. The motion passes 4-2, with Director Graves and Kary voting no.

President Essmann made a motion to hire an outside firm to get meters replaced. Director Ewalt seconded the motion. Director Kary inquired about what the staff would be doing if the task of replacing meters was outsourced. President Essmann suggested that they exercise the hydrants and valves. The motion passed unanimously.

GM Oborn continued his report about staffing. During the prior period, one Water Operator quit without notice. He reported that he has implemented morning staff meetings and has the staff concentrating on meter replacements. He is also implementing a procedure to better track vacation/leave time accrual.

Secretary Bakker was asked to give the group an update on the migration to the new website. She reported that the new site is scheduled for Tuesday, October 27. She asked the Board to look for an email from her that would include a link to the new site and to reply to the email with any items that needed to be completed before approval of the launch.

President Essmann asked GM Oborn why the board isn't getting the bank statements so they can be approved? He reminded the GM that Board approval of the bank statements is a requirement in accordance with the Audit remediation letter. GM Blaine agreed to provide the statement for the next meeting.

Consent Agenda

Director Ellis made a motion to approve the STIFL and STIP statement. Director Erpenbach seconded the motion. Director Kary noted that those statements are part of the Consent Agenda and offered a substitute motion to approve the Consent Agenda. Director Ellis seconded the motion. The motion passed unanimously.

Old Business

Committee Reports

Consolidation Committee: Director Ewalt reported that the City of Billings has a new Public Works Director and is just getting settled into her new position. The committee are planning on contacting her and will have an update next month.

Employee Benefits Review- Director Kary reported that the committee met on Friday. They postponed making a proposal until the November meeting.

Banking Committee- Director Erpenbach reported that the Committee interviewed two banks. They recommended going with Opportunity Bank. Director Erpenbach made a motion to pass the Resolution to enter a banking relationship with Opportunity Bank. Director Ewalt second the motion. Director Ellis expressed some concern that the bank has limited experience with a government entity, she went on to say that the bank representative gave the committee some inaccurate information about investments and would be voting no. GM Oborn indicated that he wasn't planning on moving the District's investment accounts. Director Erpenbach suggested requesting a Memo of Understanding (MOU) to detail the services and related fees. Director Erpenbach amended his motion to include a MOU in the resolution. The motion as amended passed 5-1, Director Ellis voting no.

Meter Study Committee- Director Ewalt reported on the project to replace the current meters with new meters that include technology to improve meter accuracy. The Request for Proposal (RFP) is ready for distribution. They recommended adding an Automatic Leak Indicator (ALI) option to the RFP. The RFP will be mailed to the vendors and advertised for two weeks.

Director Ewalt gave the group an update on the meter that he had been testing next to the current meter. The newer meter showed a 1100-gallon difference.

Director Ewalt made a motion to pass the resolution to post and publish an RFP for a new AMI with adding ALI/AMI and to changing the reply email to Blaine.Oborn@heightswaterdistrict.com, remove the instructions about a portal. Director Kary seconded the motion. The motion passed unanimously.

Director Ewalt made a motion to have the two meters for accuracy by an independent agency using the District's equipment. Director Kary seconded the motion. independent agency using our equipment. The motion passed unanimously.

Operations Manager Job Description Committee- Director Ellis reported that the Operations Manager Job description has been completed, and that the position would be an exempt position. The salary range is $85,000- $115,000 depending on experience.

Director Ellis made the motion to approve the Resolution to adopt and advertise Operations Manager position. Director Erpenbach seconded the motion. The motion passed unanimously.

Employee Manual Committee- Director Erpenbach reported that the committee reviewed the manual and had added and subtracted some items. Changes include:

- How work hours are being reported
- Removal of comp time.
- On-call: removed 15-minute time limit for on-call
- Pay period- paychecks within 3 days of pay period
- Removed several types of leaves that didn't apply, including Family leave.
- Added a section on kitchen usage
- Changed Martin Luther King Day from a floating holiday to a specific dates
- Change Columbus Day to Columbus Day / Indigenous Peoples Day
- New hires would be under state program retirement plan

Director Erpenbach made the motion to approve the Resolution to Revise Employee Manual. Director Kary seconded the motion. Director Kary asked for clarification on the language in the Insurance/Retirement section. He asked if the language the "District may contribute" was new. Director Ellis told he that that language has been in the prior manuals. President Essmann offered a friendly amendment to the motion to strike the language after "employee" so that the District is paying only for the employees' insurance. The motion passed unanimously.

President Essmann made a motion to change the eligibility for medical insurance to after the second full month of employment. The motion was seconded by Director Ellis. Motion passed unanimously.

President Essmann made a motion to change the number of unreported absences from 3 days to 2 days in the Attendance section of the manual. Director Ellis seconded the motion. The motion passed unanimously.

President Essmann made a motion to remove the last sentence in the Montana Workers' Compensation section starting at "A light duty position will not last more than 30 full or partial working days". Director Ellis seconded the motion and the motion passed unanimously.

President Essmann made a motion to remove the Employee Manual Acknowledgement page from the manual. Director Erpenbach made a friendly amendment to change the page to an Acknowledgement of Receipt of the Manual and a box for the manager to note if the employee refuses to sign. Director Graves seconded the motion. The motion passed unanimously.

Director Ewalt made a motion to adopt the Employee Manual as amended. Director Graves seconded the motion and the motion passed unanimously.

New Business

Director Ewalt made a motion to approve the Resolution to Update Signatures on STIP. Director Erpenbach seconded the motion and the motion passed unanimously.

Director Kary made a motion to approve the Resolution to Adopt AWWA Policy on Exercising Gate Valves. Director Ellis seconded the motion. Director Ellis commented that the valves haven't been exercised and this needs to be done. The motion passed unanimously. The Board directed the General Manager to assign this project to the staff.

Items for consideration for future meetings

Policy Updated per FY Audit Corrective Action Plan
Billing City for charging for meter reading

Announcements:

Next Board Meeting: November 18, 2026

Executive Session

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 8 pm

Carolyn B Bakker

Carolyn B. Bakker, Board Secretary