



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

February 21st, 2024 at 6:00 PM

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

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested from the General Manager and are available at <https://heightswaterdistrict.com/agendas-and-minutes>. Agenda packets, due to their size, will not be printed off for the meetings or at the public's request. The public can access and view the agenda packet online and can download them or print them at their own expense.

CALL MEETING TO ORDER: President Doug Kary called the meeting to order at 6:01 PM

WELCOME AND INTRODUCTIONS

Board Members present: Doug Kary, Frank Ewalt, Tom Zurbuchen, Ming Caberera, Jeff Essmann & Laura Drager (On Zoom)

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Butch and Judy Bailey, Mike Macki, Pam Ellis, and Michael Marino (YCN)

PRESIDENT'S REMARKS: Read by Doug Kary

During the course of the meeting, the Public may be heard before a vote is cast by the Board. The President will acknowledge the Public once the motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hands. Once recognized, the speaker should move to the side of the board table so comments can be heard, identify themselves by name, and limit their comments to two minutes. Each speaker will have one opportunity to speak on any agenda item. Once the public comment period is over the public may not provide further comment or ask additional questions during the remainder of the agenda item discussion, unless specifically requested by the chair or presiding officer of the meeting.

PUBLIC COMMENT on Non-Public Hearing Agenda Items: Read by Doug Kary

- A. Any member of the public may be heard on any subject that is not on the agenda;
- B. The board will not take action on these items at this time but may choose to add the item to the agenda for the next scheduled board meeting.

February 21st, 2024 6:01 PM

PUBLIC COMMENT:

Pam Ellis: Hailey Grieves mentioned we had one employee making \$130,000 in salary and that was the General Manager. I couldn't find any evidence of it being approved in a public session. Was this approved by the board?

Doug said that was not a comment that was made by them.

Laura said this comment was in response to Laura's question which was about the 551 testing. Kaylee said we didn't have any employees making \$130,000.

Mike Macky: You cleared 6,900,000 last year. Is that right? Went up from 41 million to 48.5 million. You won't have extra revenue off of that? We aren't looking at improving the heights you are looking more at handing it over to Billings.

Doug said we are here to represent the ratepayers.

MINUTES:

Tom moves for approval of the minutes as presented. Ming seconds.

Frank asks about the no second on two of the motions one of which was fixed. He asked why the other was not fixed.

Doug said that there was a vote taken on one of them.

Further discussion was had regarding the no second on the minutes.

Motion and Vote:

Tom moves for approval of the minutes as presented. Ming seconds. All Approved

CONSENT AGENDA:

Tom moves for approval of the consent agenda. Laura seconds.

Franks asks for everyone to take notice on page 43 of the agenda packet. He goes on the explain where we are with our budget percentages.

Jeff asks about the engineering costs for the year. He asked if it was correct that we are over budget by almost \$50,000 for engineering. He asks Josh if he expects that to continue to rise.

Josh said some of that is carried over from when Peyton was doing the budget. Those amounts are broken out into each task order.

Jeff: so, the total for our year to date is \$589,969

Public comment:

Pam: Questioned why the amounts paid on the itemized breakdown and the amounts paid on the MasterCard bill were different.

Laura explains that is because those are from two different months. It's a timing thing.

Motion and Vote:

Tom moves for approval of the consent agenda. Laura seconds. All Approved

MANAGERS REPORT: presented by Josh (Acting General Manager)

Leak on St. Andrews which was a main line break. We were short-staffed at the time so Western was contacted to complete that repair. True North did the cold patch and will return in the spring to do the permanent patch. Western was up there again today to take care of any of the settlement issues.

On January 21st, which was a Sunday, we had a service line leak at 1113 Reece. The service broke at the curb stop so we had to go out and dig up in the driveway, and patch it. We will be back in the spring to do a new service line.

The Ixom spare parts that we ordered were received on January 26th. That was the invoice for \$35,000.

We continued work on the lead service line inventory. We received a grant that pays for 100 hours of Interstate Engineering's time to help with the lead service line. Rather than use them for data entry we met with them and are looking at ways of updating our GIS map system.

Frank asks if we have any lead service lines.

Josh said no we are just having to complete all of the required paperwork.

We received a quote from Summers Mcnea for next year's audit. Brian came back with a price of \$14,500 and he would honor that for three years. They would like to be on-site in August.

Jeff asks how many years has it been since we had someone else do an audit.

Josh said this would be the third year.

Tom asks to have a contract brought to next month's meeting.

The city storm drain project on Wicks and Bitterroot which has been an ongoing mess. We have had 4 main line breaks and 2 service lines in the last month. We have met with the city and project engineer to try and iron out some different means and methods to protect our utility. We brought forth the possibility of us furnishing materials and the city paying the installation costs to replace the main that keeps being broken. The city said they would not do that. We received a quote for the three different supply houses for what the materials would cost. Also received the bid from Western for what they would charge for installation.

Doug asks if there is anyone who can inspect the A/C pipe that was retrieved from the last break to have it analyzed.

Josh said he would check into that.

Tom said with their stormwater pipe being within ten feet of our water pipe that doesn't meet DEQ specs. The City has offered to allow us to use their permits for the storm drain to replace the water line under an emergency repair.

Doug asks if the City gave a variance that they could dig within the ten-foot DEQ regulation.

Josh said we had the ten-foot separation at the time the storm drain was originally installed but with the larger size pipe they are putting in now it is no longer ten feet.

Frank thinks we should get at least three bids for replacing that water line.

Jeff asks if we are preserving the evidence in case we cannot come to an amicable decision.

Josh said we had guys go down to do inspections and take some pictures.

Josh continues with the annexation, and system development fees. He asks the board how they want to continue with those. Laura will bring up some of the Stifel stuff when she does her treasures report.

Laura asks about the bills from Western for the repair on St. Andrews and if it has been paid in full.

Josh said that Suzie held the bill because everyone wanted it withheld to be voted on.

Laura asks Frank if the 30% markup on labor, equipment, and material was normal.

Frank said it was steep but wages did go up.

Further discussion was had regarding the Western bill.

Frank asked about the unhappy homeowners regarding the St. Andrews break and asked if we had heard from them again.

Josh said we haven't heard from them since.

Motion and Vote:

Tom moves to accept the manager's report. Frank seconds. All Approved

TREASURES REPORT:

Laura explained Gross Income account is \$1. Service charge \$810.63. Sweep account \$746,590.50. Payroll account. \$122,768.99 First Interstate Savings account \$257648.91. Earned \$639.00 Yellowstone Bank Savings account \$219,584.53. Stifel investments \$6,621,727.31. Total cash position \$7,968,321.24. Change to cash position \$132,271.93 Change in cash position for the year of \$713,850.61.

Email from Steve regarding a proposal for new CDs to invest in, at 5.10% with a due date of four years out. We had some areas we were lacking in which he is trying to fill. We don't currently own any CDs that pay at that 5% within that four-year range. He suggested we exchange the \$300,000 in the smart rate account for the three highest-yielding CDs.

Jeff, there was a motion that passed about the new signatories. Has that been done yet?

Josh said not yet no.

Tom said need to have funds available in case we need them for the repairs. It's the wrong time of year to be replacing the water line but we don't have much choice.

Further discussion was had regarding the investments.

Public comment:

Pam said she spoke with Jennifer Duray and asked that she be prepared to tell everyone when the project on Bitterroot will be finished.

Motion and Vote:

Tom moves to approve the Treasures report. Frank seconds. All Approved

COMMITTEE REPORTS:

Tom said we interviewed two attorneys to represent the board. Tom recommends going with Martin Smith at Felt Martin Law Firm.

Discussion was had regarding each attorney's capabilities and which would suit the District best.

Tom moves to accept Martin Smith with Felt Martin as the District's attorney. Ming seconds.

Public comment:

Pam said we should hire the one who is the most competent.

Motion and Vote:

Tom moves to accept Martin Smith with Felt Martin as the District's attorney. Ming seconds. All Approved

OLD BUSINESS:

Resolution to consider consolidation with the City of Billings

Frank moves to approve the resolution as written. Jeff seconds.

Ming calls a point of order and reads a policy in the Board Policy and Procedures part 4 rule of board presentation.

The chair did not recognize the point of order as it had nothing to do with what was being discussed.

Jeff said this is not a determination of what the final outcome will be. This is simply about exploration.

Ming amends the resolution to take place in 2025. No second.

Tom moves to amend the resolution to add the following: and compose a consolidation proposal. Frank seconds

Tom goes on to say he wants the consolidation in writing.

Ming says it cannot be brought up according to Robert's Rules Of Order.

Laura says she thinks we have some other things that we should be looking at for the District rather than continually looking at this consolidation. She said she would like to see the Board of directors have the attorney in place, work on getting a General Manager hired, and develop a strategic plan so that we have some direction. She feels that the board doesn't have a direction and if they don't have a direction, it is difficult for them to provide direction for the staff.

More discussion was had regarding the exploration of consolidation.

Public comment:

Mike said the director who works for the City should recuse himself from this vote.

Motion and Vote:

Frank moves to approve the resolution as written. Jeff seconds.

Tom moves to amend the resolution to add the following: and compose a consolidation proposal. Frank seconds. Doug, Frank, Jeff, Tom For. Ming Laura Against. Motion Passed.

NEW BUSINESS:

Renew Randall & Hurley contract

Doug addressed the board on who should be authorized to sign the Randall & Hurley contract.

Tom makes a motion that our existing contract with Randall & Hurley be signed by the existing Board President and co-signed Board Secretary. Laura seconds.

Public comment:

Pam comments that the contract that is in the agenda packet started over a year ago. She feels this contract should be modified.

Jeff amends Tom's motion to include the altered signature page to reflect the new changes. Tom seconds.

Motion and Vote:

Jeff amends Tom's motion to include the altered signature page to reflect the new changes. Tom seconds. All Approved

Tom makes a motion that our existing contract with Randall & Hurley be signed by the existing Board President and co-signed Board Secretary. Laura seconds. All Approved

Monthly Bills Format

There was a discussion on adding additional information on the postcard bills.

Jenn explained that there was no way to add any additional information with the limited amount of room on the postcards.

Tom moves to stay with the existing format. Ming seconds.

Frank asks if there is room to display the tiers on the bills.

Jenn said there was no way to add more information.

Jeff asks how many of our bills are sent via email.

Jenn said about 535 of the 6100 are sent through email.

Jeff suggests a discount for emailed billing.

Further discussion was had regarding adding the tier information to the bill.

Laura asks Jenn to speak with Black Mountain about setting up to different template for email and postcard bills.

Motion and Vote:

Tom moves to stay with the existing format. Ming seconds. All Approved

Cleaning contract for the District office

We received four quotes for the cleaning service. All of these cleaning companies quoted the same services to perform. The quotes are as follows: Executive \$949/month, Finishing touches \$780/month, Berry Clean \$900/month, and Brenda's cleaning \$1000/month.

Frank asks about Josh's opinion of the different companies

Josh said Jenn was the one who spoke with them.

Jenn explained she thought that Finishing Touches and Berry Clean were the better options.

Jeff recommends not doing a contract with the cleaning company because we should see their quality of work before we think long-term.

Ming makes a motion to approve Finishing Touches for \$780 a month as our cleaning company. Jeff seconds.

Frank amends the motion to have the price guaranteed for a year. Ming seconds.

Public comment:

Pam said she feels it is important to make sure the companies are bonded and insured. She also recommends clarifying their price and if it would change on the number of cleaning days in a month.

Motion and Vote:

Ming makes a motion to approve Finishing Touches for \$780 a month as our cleaning company. Jeff seconds. All Approved

Frank amends the motion to have the price guaranteed for a year. Ming seconds. All Approved

Raftelis contract for reviewing City of Billings rate increase to the District

Laura makes a motion to accept the contract with Raftelis. Tom seconds.

Public comment:

Pam at one point we had paid Raftelis \$30,000 and he generated 15 questions that Jennifer Duray answered. He then generated 8 more questions and her response was asked and answered. That's what we got for \$30,000. Last year the rate increase was 0%. Where he was helpful was in helping the District get legal with their rates. There is potential for a 3% increase once the plant is completed on the west end. She doesn't think the cost is worth it.

Jeff makes a substitute motion to defer this until next month. Frank seconds.

Tom doesn't want to wait

Ming agrees with Tom.

Frank asks when does he start and how long does he work?

Josh said Raftelis broke it down in the contract.

More discussion was had regarding the start time and if the board wishes to approve the contract with Raftelis.

Jeff makes a substitute motion to defer this until next month. Frank seconds. Frank yes, Jeff, Tom, Doug, Ming, Laura No. Motion Failed

Laura makes a motion to accept the contract with Raftelis. Tom seconds. Jeff, Tom, Doug, Ming, Laura For, Frank against. Motion Passed

RFQ on emergency excavations

Doug asks if Josh has gotten any of the RFQs for the excavation companies.

Josh said no but those digs are so random that he just starts with one company and works his way down the list until someone says they have a crew available.

Frank would like to get a one-year contract from each company with a pricing list. He also feels that we should request that there aren't five operators on site when a few laborers would work for cheaper.

Jeff thinks we should ask them all for their pricing and if they will commit to a one-year period. This way we will know which order to contact the companies.

Further discussion was had regarding getting costs for each company and the break down of costs.

The board asked that Josh get the RFQ from the excavation companies.

System development fees and new subdivisions

Josh asks if are we charging the SDFs upfront or if are we playing banker. Do we charge for all of the lots that the developer is bringing in at the same time, or do we charge as they are being hooked up?

Frank said that everyone else charges when you hook up.

Josh said so we are on the hook for a service that hasn't been paid for.

Further discussion was had regarding the charging upfront vs charging at hook-up.

Jeff makes a motion to pay at the time the meter is installed. Ming seconds.

Public comment:

Butch said he paid a fee as the line went by, and then we paid the other part when we hooked up to it. He asked for clarification on if that's what they were talking about.

Doug said yes, the fee would be when you hook up.

Motion and Vote:

Jeff makes a motion to pay at the time the meter is installed. Ming seconds. All Approved

Work Session Wednesday, March 6th @ 9:00 AM

Next Board meeting Wednesday, March 20th @ 6:00 PM

Meeting adjourned @ 8:20 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary