



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

July 19th, 2023 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 Peyton Brookshire, peyton@heightswaterdistrict.com 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 on line and can download them or print them at their own expense.

CALL MEETING TO ORDER: President Doug Kary called the meeting to order at 6:02 PM

WELCOME AND INTRODUCTIONS

Board Members present: Laura Drager, Ming Cabrera, Doug Kary, Frank Ewalt, Tom Zurbuchen

Staff Members present: Peyton Brookshire, Josh Simpson, and Jenn Burnside

Also present: Pam Ellis, Wesley Dunn, and Evelyn Pyburn
(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.

July 19th, 2023 6:00 PM

PUBLIC COMMENT:

Pam says the Zoom link should be made public. She also states a big part of the rate increase is part of the northwest transmission line. She doesn't feel there is a need for the northwest transmission line. She goes on to say Heights Water could cut part of the rate increase by dropping the northwest transmission line project.

Frank says that there needs to be a way to show the customer what the cost increase will be.

Ming says that customers were getting water for nothing and now they will be charged for every gallon used.

Ming makes the motion to accept the rate that was outlined according to the Rafetlis report. Laura seconds.

Tom has problems with the rate. He saw himself getting a 46% rate increase which would be about ten dollars. The state requires an estimate of the new rates. He also says we are raising the rate in advance, and that we are going from being reactive to proactive. The northwest transmission main is important because there are many homes that are not getting enough water pressure.

Tom would like to amend the motion to include in the rate information that the annexation is gone and that it no longer exists. Laura seconds.

Ming doesn't think that is needed to say that the annexation is gone. Ming says we need to start giving commercial businesses a break so that they will be more encouraged to build in the heights.

Tom says that state law says the notice will also be mailed to all persons who own property in the district and all customers who live in the district at least 7 days and not more than 30 days prior to the meeting. The mailed notice must contain an estimate of the amount that the property owner or customer will be charged under the purposed resolution or new rate.

Frank says there is an annexation fee of \$150 plus they raised the rate of the System Development Fee.

Josh says the \$150 is a paperwork fee nothing more. He also says everything is all wrapped up into one fee.

Tom purposes that the Heights Water District has two System Development Fees. The purposed one for unannexed property and our current rate plus 8% for the currently annexed properties is to be upheld for 12 years. Frank Seconds. All Approved

Peyton doesn't feel it needs to be 12 years.

Laura asks how we know which have been annexed

Peyton said we can use our existing records.

Laura amends the amendment to 10 years instead of 12 years. Tom seconds. All Approved

Frank clarifies the 8% increase of the System Development fee of \$1830.14.

Tom says yes.

More discussion was had.

Tom wants to amend the rate to clarify the definition of residential as one living unit per service line and commercial as less than one or more than one living unit per service line. Frank seconds. All opposed.

Laura said she would like to see commercial as a four-plex or more.

More discussion was had on the definition of commercial vs residential.

Pam comments that Tom has raised a good point but she does not think it can be solved in one meeting.

Tom makes an alternate motion to reject the Raftelis report for the rate increase. Laura seconds. Laura, Frank, Tom, and Doug Approve. Ming against.

CONSENT AGENDA:

Tom makes a motion to add to the consent agenda the Summers Mcnea contract. Laura seconds. All approved.

Tom had concerns about the Jun 29th minutes and asks for corrections.

Tom asks about June prepaid bills from the city.

Peyton says that those are both bills from the City of Billings which were posted in June to close out the month.

Tom makes a motion to approve the minutes with the requested changes. Laura seconds. All approved.

Tom makes a motion to accept May's prepaid bills and accept June's prepaid bills except the Susan Swimley invoices which will be moved to the old business. Laura seconds. All Approved

Pam asks about interstate engineering claims vs invoice numbers.

Peyton says it was because they separated the bills out per project.

Tom moves to except Items 3-7. Laura seconds. All Approved.

NEW BUSINESS:

Discussion regarding policy changes was had.

Laura makes a motion to table the discussion of policy changes until next month's board meeting and add to New Business. Ming seconds All Approved.

TREASURES REPORT:

Laura discussed the potential investment options that were brought to her by the Stifel representative.

Laura makes a motion to invest the funds as recommended by Stifel. Tom seconds. All Approved.

Pam makes a suggestion to invest in Stip funds.

MANAGERS REPORT:

Peyton goes over the preliminary budget. He said it turned out better than he expected. The annual salary was over because of paying out an employee who left the company and Jenn's salary was higher than predicted.

More discussion was had regarding the budget.

Laura makes a motion to accept the preliminary budget. Ming seconds.

Tom makes an alternate motion to approve the actual numbers from 22-23 with a 0% increase. Frank seconds. Frank, Tom, and Doug Approve. Laura and Ming against.

Tom asks about the Northwest Transmission main.

Peyton says the property owner has not responded yet.

Continue meeting for Wednesday, July 26th at 6:00 pm.

Tom makes a motion to adjourn Laura seconds. All approved.

Meeting adjourned @ 8:45 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

July 26th, 2023 at 6:00 PM

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

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CALL MEETING TO ORDER: President Doug Kary called the meeting to order at 6:05 PM

WELCOME AND INTRODUCTIONS

Board Members present: Laura Drager, Doug Kary, Frank Ewalt, Tom Zurbuchen

Staff Members present: Josh Simpson, and Jenn Burnside

Also present: Pam Ellis, and Evelyn Pyburn (YCN)

PRESIDENT'S REMARKS: Read by Doug Kary

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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.

July 26th, 2023 6:05 PM

PUBLIC COMMENT:

TREASURES REPORT:

Budget vs actual query numbers will change after the audit because the auditor will make accounting adjustments. There is also a balance sheet included, as well as an income statement.

The current net income before any adjustment is \$290, 942.71.

Laura also states that she doesn't feel that the STIP account is a good investment for the District.

Pam asks why we keep tying up the money in Stifel's accounts.

Laura said we don't have the CDs tied up it's about balancing the maturity.

CONSENT AGENDA:

The board discussed the policy changes and changes to wording in the proposed policy changes.

Laura makes a motion to adopt the policy with changes discussed at this meeting. Frank seconds.

Frank withdraws his second Laura withdraws her motion.

The board moves to an executive session to discuss legal matters.

Meeting adjourned @ 7:10 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary

FIRST INTERSTATE BANK
PO BOX 31438
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COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
GROSS INCOME ACCT
1540 POPELKA DR
BILLINGS MT 59105-4468

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To contact your local branch call 406-255-5800

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ANALYZED BUSINESS CHECKING ACCOUNT XXXXXXXXXXXX2349

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/23	1.00
DEPOSIT		2,901.33	07/03/23	2,902.33
DEPOSIT		3,451.80	07/03/23	6,354.13
DEPOSIT		5,426.80	07/03/23	11,780.93
IPAY SOLUTIONS BILL PMT BILL PMT		106.92	07/03/23	11,887.85
CHECKFREE COUNTY WAT XXXXXX5397		340.28	07/03/23	12,228.13
MERCHANT BANKCD DEPOSIT 496391735883		771.66	07/03/23	12,999.79
MERCHANT BANKCD DEPOSIT 496391735883		1,403.87	07/03/23	14,403.66
MERCHANT BANKCD DEPOSIT 496391735883		1,753.16	07/03/23	16,156.82
SPECTRUM SPECTRUM 3512773	149.98		07/03/23	16,006.84
CHECK(S)	43.86		07/03/23	15,962.98
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXX4167	15,961.98		07/03/23	1.00
DEPOSIT		3,634.50	07/05/23	3,635.50
DEPOSIT		3,784.38	07/05/23	7,419.88
DEPOSIT		4,123.35	07/05/23	11,543.23
METAVANTE CORP BILL PAYMT 16654-00		649.64	07/05/23	12,192.87
MERCHANT BANKCD DEPOSIT 496391735883		890.43	07/05/23	13,083.30
MERCHANT BANKCD DEPOSIT 496391735883		2,256.91	07/05/23	15,340.21
IPAY SOLUTIONS BILL PMT BILL PMT		2,280.20	07/05/23	17,620.41
CHECKFREE COUNTY WAT XXXXXX5397		2,940.74	07/05/23	20,561.15
CHECK(S)	2,245.73		07/05/23	18,315.42
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXX4167	18,314.42		07/05/23	1.00
DEPOSIT		3,507.42	07/06/23	3,508.42
DEPOSIT		3,901.11	07/06/23	7,409.53
DEPOSIT		8,187.01	07/06/23	15,596.54
METAVANTE CORP BILL PAYMT 16780-00		1,436.21	07/06/23	17,032.75

IPAY SOLUTIONS BILL PMT BILL PMT	1,857.11	07/06/23	18,889.86
CHECKFREE COUNTY WAT XXXXXX5397	4,427.08	07/06/23	23,316.94
MERCHANT BANKCD DEPOSIT 496391735883	7,393.24	07/06/23	30,710.18
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COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
GROSS INCOME ACCT

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ANALYZED BUSINESS CHECKING ACCOUNT XXXXXXXXXXXX2349

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
WEX INC FLEET DEBI 9100009036252				
	1,175.60		07/06/23	29,534.58
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	29,533.58		07/06/23	1.00
DEPOSIT		2,865.36	07/07/23	2,866.36
DEPOSIT		3,003.79	07/07/23	5,870.15
DEPOSIT		3,778.56	07/07/23	9,648.71
DEPOSIT		8,725.39	07/07/23	18,374.10
IPAY SOLUTIONS BILL PMT BILL PMT		852.76	07/07/23	19,226.86
METAVANTE CORP BILL PAYMT 16654-00		881.98	07/07/23	20,108.84
CHECKFREE COUNTY WAT XXXXXX5397		2,906.62	07/07/23	23,015.46
MERCHANT BANKCD DEPOSIT 496391735883		5,017.58	07/07/23	28,033.04
Morrison Maierle WEB PAY XXXXXX0539				
	570.00		07/07/23	27,463.04
CHECK(S)	240.00		07/07/23	27,223.04
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	27,222.04		07/07/23	1.00
DEPOSIT		2,577.98	07/10/23	2,578.98
DEPOSIT		2,818.08	07/10/23	5,397.06
DEPOSIT		2,822.99	07/10/23	8,220.05
DEPOSIT		3,906.45	07/10/23	12,126.50
DEPOSIT		29,647.91	07/10/23	41,774.41
METAVANTE CORP BILL PAYMT 0702700		884.06	07/10/23	42,658.47
County Water Dis Budget Bil XXXXX1683		1,104.33	07/10/23	43,762.80
MERCHANT BANKCD DEPOSIT 496391735883		1,820.82	07/10/23	45,583.62
IPAY SOLUTIONS BILL PMT BILL PMT		2,383.30	07/10/23	47,966.92
MERCHANT BANKCD DEPOSIT 496391735883		2,679.54	07/10/23	50,646.46
MERCHANT BANKCD DEPOSIT 496391735883		2,712.30	07/10/23	53,358.76
CHECKFREE COUNTY WAT XXXXXX5397		4,921.36	07/10/23	58,280.12
HEIGHTS WATER DI UTIL BILL HEIGHTS WATER D		32,807.72	07/10/23	91,087.84
County Water Dis Utilities XXXXX1683				
	214.90		07/10/23	90,872.94
County Water Dis Utilities XXXXX1683				
	638.99		07/10/23	90,233.95
CHECK(S)	72.05		07/10/23	90,161.90
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	90,160.90		07/10/23	1.00

DEPOSIT	1,945.36	07/11/23	1,946.36
DEPOSIT	5,933.66	07/11/23	7,880.02
METAVANTE CORP BILL PAYMT 2203600	349.90	07/11/23	8,229.92
* * * C O N T I N U E D * * *			

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IPAY SOLUTIONS BILL PMT BILL PMT		1,428.35	07/11/23	9,658.27
MERCHANT BANKCD DEPOSIT 496391735883		1,590.65	07/11/23	11,248.92
CHECKFREE COUNTY WAT XXXXXX5397		3,125.59	07/11/23	14,374.51
RETURNED DEPOSITED ITEM 86.08	86.08		07/11/23	14,288.43
Tri County Telep Phone Bill XXXXX804-3				
	148.65		07/11/23	14,139.78
CHECK(S) 65.42	65.42		07/11/23	14,074.36
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXX4167 14,073.36	14,073.36		07/11/23	1.00
DEPOSIT		3,772.36	07/12/23	3,773.36
DEPOSIT		7,740.30	07/12/23	11,513.66
DEPOSIT		28,877.58	07/12/23	40,391.24
IPAY SOLUTIONS BILL PMT BILL PMT		268.57	07/12/23	40,659.81
METAVANTE CORP BILL PAYMT 0414800		640.36	07/12/23	41,300.17
County Water Dis Special XXXXX1683		1,813.84	07/12/23	43,114.01
CHECKFREE COUNTY WAT XXXXXX5397		3,026.06	07/12/23	46,140.07
MERCHANT BANKCD DEPOSIT 496391735883		6,828.88	07/12/23	52,968.95
ACH RETURNED ITEM R02 31087-00 292070804890051				
	22.04		07/12/23	52,946.91
NORTHWESTERN NWE BILL 1563885	338.79		07/12/23	52,608.12
CHECK(S) 13,925.86	13,925.86		07/12/23	38,682.26
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXX4167 38,681.26	38,681.26		07/12/23	1.00
DEPOSIT		3,240.16	07/13/23	3,241.16
IPAY SOLUTIONS BILL PMT BILL PMT		109.42	07/13/23	3,350.58
METAVANTE CORP BILL PAYMT 0205200		255.93	07/13/23	3,606.51
CHECKFREE COUNTY WAT XXXXXX5397		957.72	07/13/23	4,564.23
MERCHANT BANKCD DEPOSIT 496391735883		2,625.49	07/13/23	7,189.72
NORTHWESTERN NWE BILL 1249548	57.14		07/13/23	7,132.58
NORTHWESTERN NWE BILL 0246071	449.45		07/13/23	6,683.13
NORTHWESTERN NWE BILL 0286453	851.84		07/13/23	5,831.29
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXX4167 5,830.29	5,830.29		07/13/23	1.00
DEPOSIT		10,824.59	07/14/23	10,825.59
County Water Dis Redeposit XXXXX1683		22.04	07/14/23	10,847.63
County Water Dis Special La XXXXX1683		24.66	07/14/23	10,872.29
METAVANTE CORP BILL PAYMT 30020-00		110.03	07/14/23	10,982.32

CHECKFREE COUNTY WAT XXXXXX5397	884.39	07/14/23	11,866.71
MERCHANT BANKCD DEPOSIT 496391735883	2,103.79	07/14/23	13,970.50
IPAY SOLUTIONS BILL PMT BILL PMT	2,566.19	07/14/23	16,536.69
* * * C O N T I N U E D * * *			

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COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
GROSS INCOME ACCT

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ANALYZED BUSINESS CHECKING ACCOUNT XXXXXXXXXXXX2349

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXXXX				
XXXXXXXX4167	16,535.69		07/14/23	1.00
DEPOSIT		18,473.36	07/17/23	18,474.36
IPAY SOLUTIONS BILL PMT BILL PMT		257.33	07/17/23	18,731.69
CHECKFREE COUNTY WAT XXXXXX5397		402.04	07/17/23	19,133.73
MERCHANT BANKCD DEPOSIT 496391735883		773.10	07/17/23	19,906.83
MERCHANT BANKCD DEPOSIT 496391735883		1,134.42	07/17/23	21,041.25
MERCHANT BANKCD DEPOSIT 496391735883		2,086.24	07/17/23	23,127.49
Outgoing Wire 363720 CITY OF BILLINGS- PUD				
	255,345.20		07/17/23	232,217.71-
Service Charges June 2023	777.04		07/17/23	232,994.75-
FDMS FDMS PYMT 052-1480741-000	29.93		07/17/23	233,024.68-
TRANSFER FROM MONEY MARKET SWEEP ACCOUNT				
XXXXXXXXXXXXXXXXXXXXXXXXXXXX4167		233,025.68	07/17/23	1.00
DEPOSIT		86.02	07/18/23	87.02
DEPOSIT		3,082.42	07/18/23	3,169.44
DEPOSIT		6,869.14	07/18/23	10,038.58
METAVANTE CORP BILL PAYMT 2300300		73.67	07/18/23	10,112.25
IPAY SOLUTIONS BILL PMT BILL PMT		571.61	07/18/23	10,683.86
MERCHANT BANKCD DEPOSIT 496391735883		681.66	07/18/23	11,365.52
CHECKFREE COUNTY WAT XXXXXX5397		1,121.19	07/18/23	12,486.71
VERIZON WIRELESS PAYMENTS 057191517400001				
	211.50		07/18/23	12,275.21
CHECK(S)	3,036.30		07/18/23	9,238.91
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXXXX				
XXXXXXXX4167	9,237.91		07/18/23	1.00
IPAY SOLUTIONS BILL PMT BILL PMT		120.14	07/19/23	121.14
METAVANTE CORP BILL PAYMT 2911000		268.79	07/19/23	389.93
CHECKFREE COUNTY WAT XXXXXX5397		654.84	07/19/23	1,044.77
MERCHANT BANKCD DEPOSIT 496391735883		984.91	07/19/23	2,029.68
County Water Dis July 19th XXXXX1683				
	750.00		07/19/23	1,279.68
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXXXX				
XXXXXXXX4167	1,278.68		07/19/23	1.00
DEPOSIT		11,977.76	07/20/23	11,978.76
IPAY SOLUTIONS BILL PMT BILL PMT		156.95	07/20/23	12,135.71
METAVANTE CORP BILL PAYMT 17363-00		161.22	07/20/23	12,296.93

CHECKFREE COUNTY WAT XXXXXX5397	258.72	07/20/23	12,555.65
County Water Dis Payments XXXXX1683	933.50	07/20/23	13,489.15
MERCHANT BANKCD DEPOSIT 496391735883	2,283.48	07/20/23	15,772.63
* * * C O N T I N U E D * * *			

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COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
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ANALYZED BUSINESS CHECKING ACCOUNT XXXXXXXXXXXX2349

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
HEIGHTS WATER DI UTIL BILL HEIGHTS WATER D	13,430.83		07/20/23	29,203.46
CHECK(S)	470.65		07/20/23	28,732.81
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	28,731.81		07/20/23	1.00
DEPOSIT		4,978.66	07/21/23	4,979.66
IPAY SOLUTIONS BILL PMT BILL PMT		107.31	07/21/23	5,086.97
CHECKFREE COUNTY WAT XXXXXX5397		389.78	07/21/23	5,476.75
METAVANTE CORP BILL PAYMT 18113-00		842.44	07/21/23	6,319.19
MERCHANT BANKCD DEPOSIT 496391735883		1,565.56	07/21/23	7,884.75
ENERGYLABORATORI PURCHASE COUNTY WATER DI				
	495.00		07/21/23	7,389.75
CHECK(S)	314.04		07/21/23	7,075.71
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	7,074.71		07/21/23	1.00
DEPOSIT		22,977.87	07/24/23	22,978.87
IPAY SOLUTIONS BILL PMT BILL PMT		178.24	07/24/23	23,157.11
METAVANTE CORP BILL PAYMT 0502800		205.70	07/24/23	23,362.81
MERCHANT BANKCD DEPOSIT 496391735883		277.83	07/24/23	23,640.64
CHECKFREE COUNTY WAT XXXXXX5397		598.77	07/24/23	24,239.41
MERCHANT BANKCD DEPOSIT 496391735883		2,030.11	07/24/23	26,269.52
MERCHANT BANKCD DEPOSIT 496391735883		2,257.36	07/24/23	28,526.88
CHECK(S)	2,743.74		07/24/23	25,783.14
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	25,782.14		07/24/23	1.00
METAVANTE CORP BILL PAYMT 1905300		220.91	07/25/23	221.91
IPAY SOLUTIONS BILL PMT BILL PMT		345.12	07/25/23	567.03
CHECKFREE COUNTY WAT XXXXXX5397		497.24	07/25/23	1,064.27
MERCHANT BANKCD DEPOSIT 496391735883		598.45	07/25/23	1,662.72
CHECK(S)	1,468.46		07/25/23	194.26
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX				
XXXXXXXX4167	193.26		07/25/23	1.00
DEPOSIT		3,855.04	07/26/23	3,856.04
METAVANTE CORP BILL PAYMT 23085-00		100.00	07/26/23	3,956.04
IPAY SOLUTIONS BILL PMT BILL PMT		100.92	07/26/23	4,056.96
CHECKFREE COUNTY WAT XXXXXX5397		885.07	07/26/23	4,942.03
MERCHANT BANKCD DEPOSIT 496391735883		3,850.12	07/26/23	8,792.15
MDU PAYMENTS XXXXXX1000	64.06		07/26/23	8,728.09

CHECK(S)	108.00	07/26/23	8,620.09
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX			
XXXXXXXX4167	8,619.09	07/26/23	1.00
* * * C O N T I N U E D * * *			

FIRST INTERSTATE BANK
PO BOX 31438
BILLINGS, MT 59107-1438

030 00011 01
ACCOUNT: XXXXXXXXXXXX2349
DOCUMENTS: 58

PAGE: 6
07/31/2023

TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
GROSS INCOME ACCT

=====

ANALYZED BUSINESS CHECKING ACCOUNT XXXXXXXXXXXX2349

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
IPAY SOLUTIONS BILL PMT BILL PMT		157.64	07/27/23	158.64
METAVANTE CORP BILL PAYMT 28215-00		230.00	07/27/23	388.64
CHECKFREE COUNTY WAT XXXXXX5397		264.76	07/27/23	653.40
MERCHANT BANKCD DEPOSIT 496391735883		1,080.92	07/27/23	1,734.32
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX XXXXXXXX4167	1,733.32		07/27/23	1.00
CHECKFREE COUNTY WAT XXXXXX5397		51.11	07/28/23	52.11
MERCHANT BANKCD DEPOSIT 496391735883		1,339.12	07/28/23	1,391.23
CHECK(S)	396.92		07/28/23	994.31
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX XXXXXXXX4167	993.31		07/28/23	1.00
DEPOSIT		8,593.30	07/31/23	8,594.30
IPAY SOLUTIONS BILL PMT BILL PMT		385.04	07/31/23	8,979.34
MERCHANT BANKCD DEPOSIT 496391735883		591.62	07/31/23	9,570.96
CHECKFREE COUNTY WAT XXXXXX5397		909.35	07/31/23	10,480.31
MERCHANT BANKCD DEPOSIT 496391735883		1,234.91	07/31/23	11,715.22
MERCHANT BANKCD DEPOSIT 496391735883		2,004.24	07/31/23	13,719.46
MASTERCARD PAYMENT 552746XXXXX3586				
	19.00		07/31/23	13,700.46
MASTERCARD PAYMENT 552746XXXXX5242				
	239.88		07/31/23	13,460.58
MASTERCARD PAYMENT 552746XXXXX7728				
	246.34		07/31/23	13,214.24
MONTANASTATEFUND PREMIUM XXXXX9518				
	810.29		07/31/23	12,403.95
MASTERCARD PAYMENT 552747XXXXX3789				
	9,523.40		07/31/23	2,880.55
CHECK(S)	212.59		07/31/23	2,667.96
TRANSFER TO MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXXXXXX XXXXXXXX4167	2,666.96		07/31/23	1.00
BALANCE THIS STATEMENT			07/31/23	1.00

TOTAL DAYS IN STATEMENT PERIOD 07/01/23 THROUGH 07/31/23: 31

TOTAL CREDITS	(128)	641,183.43	MINIMUM BALANCE	1.00
TOTAL DEBITS	(67)	641,183.43	AVG AVAILABLE BALANCE	1.00
			AVERAGE BALANCE	1.00

FIRST INTERSTATE BANK
PO BOX 31438
BILLINGS, MT 59107-1438

030 00011 01
ACCOUNT: XXXXXXXXXXXX2349
DOCUMENTS: 58

PAGE: 7
07/31/2023

TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
GROSS INCOME ACCT

=====

YOUR CHECKS SEQUENCED

=====

DATE...	CHECK #.....	AMOUNT	DATE...	CHECK #.....	AMOUNT	DATE...	CHECK #.....	AMOUNT
07/03	10878	43.86	07/21	10890	26.84	07/28	10898	350.00
07/12	10879*	12,529.36	07/24	10891	364.74	07/25	10899*	1,468.46
07/05	10883	230.00	07/28	10892	46.92	07/20	10901	470.65
07/07	10884	240.00	07/24	10893	2,379.00	07/18	10902	1,223.80
07/05	10885	51.80	07/21	10894	187.20	07/26	10903	108.00
07/05	10886	1,963.93	07/31	10895	170.00	07/18	10904	12.50
07/10	10887	72.05	07/18	10896	1,800.00	07/21	10905*	100.00
07/11	10888*	65.42	07/12	10897	1,396.50	07/31	10908	42.59

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

```
*****
*                                     | TOTAL FOR | TOTAL *
*                                     | THIS PERIOD | YEAR TO DATE *
*-----*
* TOTAL OVERDRAFT FEES: | $ .00 | $ .00 *
*-----*
* TOTAL RETURNED ITEM FEES: | $ .00 | $ .00 *
*****
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FIRST INTERSTATE BANK
PO BOX 31438
BILLINGS, MT 59107-1438

030 00011 01
ACCOUNT: XXXXXXXXXXXX7508
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TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
1540 POPELKA DR
BILLINGS MT 59105-4468

30

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To contact your local branch call 406-255-5800

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BUSINESS INDEXED MONEY MARKET ACCOUNT XXXXXXXXXXXX7508

=====

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/23	253,539.73
INTEREST		566.12	07/31/23	254,105.85
BALANCE THIS STATEMENT			07/31/23	254,105.85

TOTAL DAYS IN STATEMENT PERIOD 07/01/23 THROUGH 07/31/23: 31

TOTAL CREDITS (1) 566.12
TOTAL DEBITS (0) .00

- - - - - I N T E R E S T - - - - -

AVERAGE LEDGER BALANCE:	253,539.73	INTEREST EARNED:	566.12
AVERAGE AVAILABLE BALANCE:	253,539.73	DAYS IN PERIOD 07/01/23-07/31/23:	31
INTEREST PAID THIS PERIOD:	566.12	ANNUAL PERCENTAGE YIELD EARNED:	2.66%
INTEREST PAID 2023:	2,562.80		

DATE.....RATE	DATE.....RATE	DATE.....RATE	DATE.....RATE	DATE.....RATE
07/01 2.63%	07/31 2.75%			

FIRST INTERSTATE BANK
401 N 31ST ST
BILLINGS, MT 59101

030 00011 01
ACCOUNT: XXXXXXXXXXXX4167
DOCUMENTS: 0

PAGE: 1
07/31/2023

TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
HEIGHTS BILLINGS
1540 POPELKA DR
BILLINGS MT 59105-4468

30
0
0

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To contact your local branch call 406-255-5000

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MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXX4167

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/23	274,212.65
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		15,961.98	07/03/23	290,174.63
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		18,314.42	07/05/23	308,489.05
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		29,533.58	07/06/23	338,022.63
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		27,222.04	07/07/23	365,244.67
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		90,160.90	07/10/23	455,405.57
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		14,073.36	07/11/23	469,478.93
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		38,681.26	07/12/23	508,160.19
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		5,830.29	07/13/23	513,990.48
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		16,535.69	07/14/23	530,526.17
TRANSFER TO ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXX XXXXX2349	233,025.68		07/17/23	297,500.49
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		9,237.91	07/18/23	306,738.40
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		1,278.68	07/19/23	308,017.08
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXX2349		28,731.81	07/20/23	336,748.89
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT				

XXXXXXXXXXXXXXXXXXXXX2349	7,074.71 07/21/23	343,823.60
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT		
XXXXXXXXXXXXXXXXXXXXX2349	25,782.14 07/24/23	369,605.74
* * * C O N T I N U E D * * *		

FIRST INTERSTATE BANK
401 N 31ST ST
BILLINGS, MT 59101

030 00011 01
ACCOUNT: XXXXXXXXXXXX4167
DOCUMENTS: 0

PAGE: 2
07/31/2023

TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
HEIGHTS BILLINGS

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MONEY MARKET SWEEP ACCOUNT XXXXXXXXXXXX4167

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXXX2349		193.26	07/25/23	369,799.00
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXXX2349		8,619.09	07/26/23	378,418.09
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXXX2349		1,733.32	07/27/23	380,151.41
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXXX2349		993.31	07/28/23	381,144.72
TRANSFER FROM ANALYZED BIZ CKG ACCOUNT XXXXXXXXXXXXXXXXXXXXX2349		2,666.96	07/31/23	383,811.68
INTEREST		142.71	07/31/23	383,954.39
BALANCE THIS STATEMENT			07/31/23	383,954.39

TOTAL DAYS IN STATEMENT PERIOD 07/01/23 THROUGH 07/31/23: 31

TOTAL CREDITS	(20)	342,767.42	MINIMUM BALANCE	290,174.63
TOTAL DEBITS	(1)	233,025.68	AVG AVAILABLE BALANCE	377,913.86
			AVERAGE BALANCE	377,913.86

- - - - - I N T E R E S T - - - - -

AVERAGE LEDGER BALANCE:	377,913.86	INTEREST EARNED:	142.71
AVERAGE AVAILABLE BALANCE:	377,913.86	DAYS IN PERIOD:07/01/23-07/31/23:	31
INTEREST PAID THIS PERIOD:	142.71	ANNUAL PERCENTAGE YIELD EARNED:	.45%
INTEREST PAID 2023:	1,468.65		

FIRST INTERSTATE BANK
PO BOX 31438
BILLINGS, MT 59107-1438

030 00011 01
ACCOUNT: XXXXXXXXXXXX0976
DOCUMENTS: 0

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TELEPHONE:855-342-3400

COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
PAYROLL ACCOUNT
1540 POPELKA DR
BILLINGS MT 59105-4468

30
0
0

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To contact your local branch call 406-255-5800

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STATE COUNTY MUNICIPALITY CHECKING ACCOUNT XXXXXXXXXXXX0976

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DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/23	238,725.83
IRS USATAXPYMT 270358781213515	6,969.70		07/06/23	231,756.13
ASCENSUS TRUST RET PLAN 259835 07072023				
	1,556.97		07/07/23	230,199.16
ASCENSUS TRUST RET PLAN 259835 07072023				
	1,629.83		07/07/23	228,569.33
IRS USATAXPYMT 270358870734978	5,095.76		07/07/23	223,473.57
BILLINGS HEIGHTS PAYROLL	16,448.86		07/07/23	207,024.71
UIT PMT STATE OF MONTANA TXP*0041816 *IIT*671\				
	671.32		07/10/23	206,353.39
STATE OF MONTANA MT TAX PMT XXXXX7824				
	1,091.00		07/10/23	205,262.39
THE GUARDIAN AUG GP INS 76988900WWA0000				
	1,786.54		07/19/23	203,475.85
ASCENSUS TRUST RET PLAN 259835 07212023				
	1,534.91		07/21/23	201,940.94
ASCENSUS TRUST RET PLAN 259835 07212023				
	1,598.92		07/21/23	200,342.02
IRS USATAXPYMT 270360263633105	4,944.67		07/21/23	195,397.35
BILLINGS HEIGHTS PAYROLL	16,037.24		07/21/23	179,360.11
STATE OF MONTANA MT TAX PMT XXXXX8864				
	1,058.00		07/24/23	178,302.11
HEALTH CARE SERV OBPPAYMT XXXXX1568				
	16,334.97		07/31/23	161,967.14
BALANCE THIS STATEMENT			07/31/23	161,967.14

TOTAL DAYS IN STATEMENT PERIOD 07/01/23 THROUGH 07/31/23:

31

TOTAL CREDITS	(0)	.00	MINIMUM BALANCE	161,967.14
TOTAL DEBITS	(14)	76,758.69	AVG AVAILABLE BALANCE	201,578.54
			AVERAGE BALANCE	201,578.54
		* * *	C O N T I N U E D	* * *

FIRST INTERSTATE BANK
PO BOX 31438
BILLINGS, MT 59107-1438

030 00011 01
ACCOUNT: XXXXXXXXXXXX0976
DOCUMENTS: 0

PAGE: 2
07/31/2023

TELEPHONE: 855-342-3400

COUNTY WATER DISTRICT OF
BILLINGS HEIGHTS
PAYROLL ACCOUNT

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STATE COUNTY MUNICIPALITY CHECKING ACCOUNT XXXXXXXXXXXX0976

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- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

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*****
*                                     |          TOTAL FOR          |          TOTAL          *
*                                     |        THIS PERIOD        |        YEAR TO DATE    *
*-----*
* TOTAL OVERDRAFT FEES:           |          $.00           |          $.00          *
*-----*
* TOTAL RETURNED ITEM FEES:       |          $.00           |          $.00          *
*****
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Balancing Your Checking Account

This form will assist you in balancing your checking account. Please complete all the information for the Statement Balance and Register Balance forms, and click the Calculate Balance buttons near the bottom of the page. **When the Adjusted Statement and Adjusted Check Register Balances at the bottom of the page equals each other, you have balanced your checking account.** If they do not equal each other, make sure all the information entered is correct and complete, and calculate and compare balances again.

08/01/23
08:38:36

BILLINGS HEIGHTS WATER DISTRICT
Payroll Check Register for Accounting Period 7/23

Page: 1 of 2
Report ID: W100A

Check #	Payee #/Name	Check Amount	Date Issued	Period Redeemed
-89727	4 DAVID P BROOKSHIRE	3042.33	07/07/23	7/23
-89726	6 JENNIFER M BURNSIDE	1486.98	07/07/23	7/23
-89725	10 QUIN T FUHRMAN	2176.27	07/07/23	7/23
-89724	13 MATTHEW KADLEC	1677.23	07/07/23	7/23
-89723	2 CLAY J MCCAFFREE	1696.17	07/07/23	7/23
-89722	11 SUZANNE M MCKETHEN	1260.88	07/07/23	7/23
-89721	12 AUSTIN MISTRETTA	1403.04	07/07/23	7/23
-89720	1 ANDREW W REICHENBACH	1659.15	07/07/23	7/23
-89719	7 JOSHUA C SIMPSON	2046.81	07/07/23	7/23
-89718	FIT EFTPS	5095.76	07/06/23	7/23
-89717	SIT MT DEPT OF REVENUE	1091.00	07/06/23	7/23
-89716	401K ASCENSUS	2252.92	07/07/23	7/23
-89715	401K PS ASCENSUS	933.88	07/07/23	7/23
-89714	4 DAVID P BROOKSHIRE	3042.33	07/21/23	7/23
-89713	6 JENNIFER M BURNSIDE	1486.98	07/21/23	7/23
-89712	10 QUIN T FUHRMAN	1803.92	07/21/23	7/23
-89711	13 MATTHEW KADLEC	1477.51	07/21/23	7/23
-89710	2 CLAY J MCCAFFREE	1813.51	07/21/23	7/23
-89709	11 SUZANNE M MCKETHEN	1260.88	07/21/23	7/23
-89708	12 AUSTIN MISTRETTA	1501.44	07/21/23	7/23
-89707	1 ANDREW W REICHENBACH	1603.86	07/21/23	7/23
-89706	7 JOSHUA C SIMPSON	2046.81	07/21/23	7/23
-89705	FIT EFTPS	4944.67	07/21/23	7/23
-89704	SIT MT DEPT OF REVENUE	1058.00	07/21/23	7/23
-89703	401K ASCENSUS	2222.02	07/21/23	7/23
-89702	401K PS ASCENSUS	911.81	07/21/23	7/23

08/01/23
08:38:36

BILLINGS HEIGHTS WATER DISTRICT
Payroll Check Register for Accounting Period 7/23

Page: 2 of 2
Report ID: W100A

Check #	Payee #/Name	Check Amount	Date Issued	Period Redeemed
-89701	HEALTH INS BCBS	16334.97	08/01/23	7/23
-89700	DENTAL GUARDIAN	1786.56	08/01/23	7/23

* denotes missing check number(s)

# of Checks:	28	Total:	69117.69	Electronic Checks:	69,117.69
				Non-electronic Checks:	0.00

08/01/23
08:20:56

BILLINGS HEIGHTS WATER DISTRICT
Check Register for Gross Receipts
For the Accounting Period: 7/23

Page: 2 of 4
Report ID: AP300

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
-99638	E	404 UTILITIES UNDERGROUND LOCATION CENTER	214.90	07/01/23	7/23		
10891	S	27 BADGER METER, INC.	364.74	07/07/23		CL 656	214.90
10892	S	144 FERGUSON ENTERPRISES, INC	46.92	07/07/23		CL 649	364.74
10893	S	181 HAWKINS, INC.	2379.00	07/07/23		CL 652	46.92
10894	S	296 NORTHWEST PIPE FITTINGS INC	187.20	07/07/23		CL 650	2379.00
10895	S	356 ST. VINCENT HEALTHCARE - BROADWATER	170.00	07/07/23		CL 655	187.20
10896	S	389 TRU PIPE, INC.	1800.00	07/07/23		CL 651	170.00
10897	S	390 TRUE NORTH CONTRACTING LLC	1396.50	07/07/23		CL 653	1800.00
10898	S	253 MICROCOMM	350.00	07/13/23		CL 654	1396.50
10899	S	296 NORTHWEST PIPE FITTINGS INC	1468.46	07/13/23		CL 666	350.00
10900	S	317 PAYNEWEST INSURANCE	94146.00	07/13/23		CL 664	1468.46
10901	S	332 RAFTELIS	470.65	07/13/23		CL 660	94146.00
10902	S	366 SUSAN SWIMLEY	1223.80	07/13/23		CL 663	470.65
10903	S	383 TRACTOR AND EQUIPMENT	108.00	07/13/23		CL 662	1223.80
10904	S	446 Valli Information Systems, Inc.	12.50	07/13/23		CL 665	108.00
10905	S	481 FRANK EWALT	100.00	07/19/23		CL 667	12.50
10906	M	999999 MIKE FORNSHELL	32.95	07/20/23		CL 676	100.00
10907	M	999999 DANA DAHL	96.33	07/20/23		CL 679	32.95
10908	M	999999 ROBERT MORGAN	42.59	07/20/23		CL 680	96.33
10909	M	999999 JADE CALLANTINE	48.84	07/20/23		CL 681	42.59
10910	M	999999 DENA REED	22.08	07/20/23		CL 682	48.84
10911	S	399 UNITED STATES POST OFFIC	1952.94	07/31/23		CL 683	22.08
10912	S	296 NORTHWEST PIPE FITTINGS INC	2042.43	07/31/23		CL 691	1952.94
10913	S	390 TRUE NORTH CONTRACTING LLC	7608.50	07/31/23		CL 693	2042.43
						CL 692	7608.50

Total for Claim Checks
Count for Claim Checks

133141.55
48

* denotes missing check number(s)

of Checks: 48 Total: 133141.55

***Please note: under the direction of the Summers
McNea Auditors, City of Billings purchased water bill
\$255,345.20 was paid in July but added to the June 30,
2023 Fiscal Year accounting totals.

08/01/23
08:20:56

BILLINGS HEIGHTS WATER DISTRICT
Fund Summary for Claim Check Register
For the Accounting Period: 7/23

Fund/Account	Amount
5210 Water 101012	\$133,141.55
Total:	\$133,141.55

08/09/23
14:34:16

BILLINGS HEIGHTS WATER DISTRICT
Balance Sheet
For the Accounting Period: 8 / 23

Page: 1 of 6
Report ID: L150

5210 Water

Assets

Current Assets

Operations & Maint Ckg	(70.00)
Gross Income Fund Ckg		557,716.95
Payroll Checking		125,410.35
Undeposited Funds		1,802.58
RBC Wealth Management Investment	(386,000.00)
First Interstate Savings		254,105.85
Yellowstone Bank		205,267.39
D A Davidson Money Market		13.00
D A Davidson	(250,000.00)
D A Davidson Investment	(150,000.00)
Stifel Nicolaus		6,419,937.05
Stifel Money Market		751,980.87
Discount/Premium - Solomon S.B.		45,550.53
Petty Cash		100.00
Change Fund		150.00
Accts Rec - Water		311,372.00
Accts Rec	(24,339.36)
Accrued Investment Interest		24,281.89
Prepaid Expense		66,627.74
Inventory - Supplies		151,898.12

Total Current Assets

8,105,804.96

Fixed Assets

Land		245,961.00
Buildings		575,033.40
Maint Equip & Vehicles		944,036.28
Non Budgeted Capital Assets		10,623.06
Emerg. Main Replace.& Cap. Impr		7,549.94
SRF Capital Investment		136,688.00
Machinery, Equip, Construct, Transport		5,379.98
Office Equipment		138,808.11
Maint & Equipment		21,150,002.73
Accumulated Depreciation	(9,762,309.20)

Total Fixed Assets

13,451,773.30

Total Assets

21,557,578.26

08/09/23
14:34:16

BILLINGS HEIGHTS WATER DISTRICT
Balance Sheet
For the Accounting Period: 8 / 23

Page: 2 of 6
Report ID: L150

5210 Water

Liabilities and Equity

Current Liabilities

Accounts Payable	314,853.64	
CONVERSION Accounts Payable	3,054.67	
Audit Accts Payable Entry	550,000.00	
Comp Abs Payable	28,509.66	
SIT Payable	(76.57)	
State UCC Payable	4,878.47	
MT Unemp Payable	210.00	
401k Payable	1,258.79	
Deposits Payable - Meter	(160.00)	
Refunds Payable	125.76	

Total Current Liabilities		902,654.42

Long-Term Liabilities

Bonds Payable - Series 2011 Bond B Loan	252,685.00	
Bonds Payable - Series 2016 Bond C Loan	2,055,075.00	
Bonds Payable - Series 2017 Bond A Loan	1,654,687.50	

Total Long-Term Liabilities		3,962,447.50

Total Liabilities

4,865,101.92

Equity

Fund Balance - Operations & Maint Fund	(148,333.00)	
Fund Balance - Acquisiton Fund	8,843,462.00	
Fund Balance - Capital Improv Fund	9,039,271.00	
Fund Balance - Reserve Fund	184,383.00	
Retained Earnings	(1,300,824.64)	
CURRENT YEAR INCOME/(LOSS)	74,517.98	

Total Equity		16,692,476.34

Total Liabilities & Equity

21,557,578.26

08/09/23
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BILLINGS HEIGHTS WATER DISTRICT
Balance Sheet
For the Accounting Period: 8 / 23

7910 Payroll Clearing

Assets

Current Assets		
Payroll Checking	11,116.73	

Total Current Assets		11,116.73

Total Assets		11,116.73

7910 Payroll Clearing

Liabilities and Equity

Current Liabilities		
MT Unemp Payable	612.68	
401k Payable	(654.14)	
BCBS Health Ins Payable	10,016.52	
Guardian-Dental Payable	743.90	
Guardian-Vision Payable	161.80	
Guardian-LTD Payable	110.13	
Guardian-STD Payable	102.04	
Guardian-Life Payable	23.80	

Total Current Liabilities		11,116.73

Total Liabilities & Equity		11,116.73

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BILLINGS HEIGHTS WATER DISTRICT
Balance Sheet
For the Accounting Period: 8 / 23

7930 Claims Clearing

Assets

Current Assets		
Gross Income Fund Ckg	(143,919.54)	

Total Current Assets		(143,919.54)

Total Assets		(143,919.54)

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BILLINGS HEIGHTS WATER DISTRICT
Balance Sheet
For the Accounting Period: 8 / 23

7930 Claims Clearing

Liabilities and Equity

Current Liabilities		
Checks Payable	(143,919.54)	

Total Current Liabilities		(143,919.54)

Total Liabilities & Equity		(143,919.54)

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BILLINGS HEIGHTS WATER DISTRICT
Income Statement
For the Accounting Period: 7 / 23

Page: 1 of 2
Report ID: LB170AX

5210 Water

----- Current Year -----					
	Current Month	Current YTD	Budget	Variance	%
Revenue					
Revenue Charges for Service					
343021 Water Revenue	629,959.57	629,959.57	4,815,130.00	-4,185,170.43	13
343023 Hydrant Rental			1,360.00	-1,360.00	
343026 Service Line Fee	7,320.56	7,320.56	205,323.00	-198,002.44	4
343027 Misc Water Revenue	60.00	60.00	512,264.00	-512,204.00	
343300 Misc Charges for Services			2,913.00	-2,913.00	
343380 Inspection Fees			1,100.00	-1,100.00	
369899 Interest Paid on Security Deposits			-6,519.00	6,519.00	
Total Revenue Charges for	637,340.13	637,340.13	5,531,571.00	-4,894,230.87	12
Total Revenue	637,340.13	637,340.13	5,531,571.00	-4,894,230.87	12
Cost of Goods Sold					
899 Water Purchased			3,026,106.00	3,026,106.00	
Total Cost of Goods Sold			3,026,106.00	3,026,106.00	
Gross Profit	637,340.13	637,340.13			
Operating Expenses					
110 Salary	44,372.87	44,372.87	596,082.00	551,709.13	7
112 Directors Fees	850.00	850.00	23,776.00	22,926.00	4
142 FICA - SS/Medicare	3,394.54	3,394.54	45,607.00	42,212.46	7
145 Unemployment	193.97	193.97	3,908.00	3,714.03	5
146 Workers Comp	810.29	810.29	10,313.00	9,502.71	8
147 Retirement Benefits	3,228.75	3,228.75	48,680.00	45,451.25	7
148 Employee Insurance	18,121.53	18,121.53	212,680.00	194,558.47	9
211 Office Supplies & Equip			4,596.00	4,596.00	
221 Operating Supplies	90.48	90.48	4,789.00	4,698.52	2
222 Lab and Medical Supplies	170.00	170.00	317.00	147.00	54
226 Clothing & Uniforms	-9.99	-9.99	1,946.00	1,955.99	1
231 Gas, Oil, Fuel	1,175.60	1,175.60	18,875.00	17,699.40	6
233 Machinery & Equip Parts	2,108.00	2,108.00	17,285.00	15,177.00	12
236 Water Main & Line Repair	2,866.39	2,866.39	23,140.00	20,273.61	12
241 Consumable Tools	164.96	164.96	1,817.00	1,652.04	9
243 Safety Supplies	2,717.50	2,717.50	127.00	-2,590.50	2140
311 Communication & Postage	1,955.64	1,955.64	28,441.00	26,485.36	7
321 Printing & Forms			1,879.00	1,879.00	
331 Subscriptions & Legal Notices			855.00	855.00	
335 Memberships & Dues			2,055.00	2,055.00	
339 Certification Renewals	225.50	225.50	1,070.00	844.50	21
341 Electricity	4,217.78	4,217.78	49,096.00	44,878.22	9
342 Gas	64.06	64.06	3,699.00	3,634.94	2
343 Sewer	207.01	207.01	1,516.00	1,308.99	14
344 Telephone & Internet Access	327.64	327.64	3,395.00	3,067.36	10
345 Cell Phone	211.50	211.50	2,373.00	2,161.50	9

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BILLINGS HEIGHTS WATER DISTRICT
Income Statement
For the Accounting Period: 7 / 23

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Report ID: LB170AX

5210 Water

	----- Current Year -----					
	Current Month	Current YTD	Budget	Variance		%
346 Elm-Utilities Underground	853.89	853.89	5,254.00	4,400.11		16
347 Permits			103.00	103.00		
348 Billings Alarm			655.00	655.00		
349 Quality Testing	495.00	495.00	7,196.00	6,701.00		7
351 Legal Fees	1,223.80	1,223.80	22,771.00	21,547.20		5
352 Accounting Fees			14,956.00	14,956.00		
353 Engineering Fees			7,795.00	7,795.00		
355 Data Processing Services	1,589.06	1,589.06	49,578.00	47,988.94		3
361 Repair & Maint. Contract Service	2,749.00	2,749.00	21,801.00	19,052.00		13
363 Meters Repair & Maintenance			57,660.00	57,660.00		
366 Building Maintenance			1,355.00	1,355.00		
371 Travel & Lodging			2,023.00	2,023.00		
381 Training & Tuition	875.00	875.00	1,392.00	517.00		63
411 Concrete	5,600.00	5,600.00	5,351.00	-249.00		105
451 Gravel & Sand			3,203.00	3,203.00		
471 Asphalt & Cold Mix	3,405.00	3,405.00	15,660.00	12,255.00		22
510 Business Insurance	94,146.00	94,146.00	12,910.00	-81,236.00		729
555 Bank Service Charges	762.20	762.20	8,178.00	7,415.80		9
591 Taxes	6,969.70	6,969.70	7,897.00	927.30		88
592 DEQ Service Connection Fee			11,962.00	11,962.00		
						15
Total Operating Expenses	206,132.67	206,132.67	1,366,017.00	1,159,884.33		15
 Net Income (Loss) from Operations						
	431,207.46	431,207.46				
 Other Income						
371010 Investment Earnings	566.12	566.12	3,579.00	-3,012.88		16
						16
Total Other Income	566.12	566.12	3,579.00	-3,012.88		16
 Other Expenses						
353 Engineering Fees			159,575.00	159,575.00		
920 Capital Improvements			183,405.00	183,405.00		
930 Capital Outlay-Improvements to Plant	3,339.00	3,339.00	443,437.00	440,098.00		1
940 Capital Outlay-Building & Equipment	470.65	470.65	162,372.00	161,901.35		
970 Project Engineering			162,416.00	162,416.00		
Total Other Expenses	3,809.65	3,809.65	1,111,205.00	1,107,395.35		
 Net Income (Loss)	427,963.93	427,963.93				

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BILLINGS HEIGHTS WATER DISTRICT
Object Summary Budget vs. Actual Query
For the Accounting Period: 7 / 23

Page: 1 of 2
Report ID: B100SO

Object	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Committed
110 Salary	44,372.87	44,372.87	596,082.00	596,082.00	551,709.13	7 %
112 Directors Fees	850.00	850.00	23,776.00	23,776.00	22,926.00	4 %
114 Salary - Bonus	0.00	0.00	0.00	0.00	0.00	0 %
141	0.00	0.00	0.00	0.00	0.00	0 %
142 FICA - SS/Medicare	3,394.54	3,394.54	45,607.00	45,607.00	42,212.46	7 %
145 Unemployment	193.97	193.97	3,908.00	3,908.00	3,714.03	5 %
146 Workers Comp	810.29	810.29	10,313.00	10,313.00	9,502.71	8 %
147 Retirement Benefits	3,228.75	3,228.75	48,680.00	48,680.00	45,451.25	7 %
148 Employee Insurance	18,121.53	18,121.53	212,680.00	212,680.00	194,558.47	9 %
149 Payroll Taxes	0.00	0.00	0.00	0.00	0.00	0 %
1XX Object Group Total	70,971.95	70,971.95	941,046.00	941,046.00	870,074.05	8 %
211 Office Supplies & Equip	0.00	0.00	4,596.00	4,596.00	4,596.00	0 %
221 Operating Supplies	90.48	90.48	4,789.00	4,789.00	4,698.52	2 %
222 Lab and Medical Supplies	170.00	170.00	317.00	317.00	147.00	54 %
226 Clothing & Uniforms	-9.99	-9.99	1,946.00	1,946.00	1,955.99	-1 %
231 Gas, Oil, Fuel	1,175.60	1,175.60	18,875.00	18,875.00	17,699.40	6 %
233 Machinery & Equip Parts	2,108.00	2,108.00	17,285.00	17,285.00	15,177.00	12 %
236 Water Main & Line Repair	2,866.39	2,866.39	23,140.00	23,140.00	20,273.61	12 %
241 Consumable Tools	164.96	164.96	1,817.00	1,817.00	1,652.04	9 %
243 Safety Supplies	2,717.50	2,717.50	127.00	127.00	-2,590.50	*** %
2XX Object Group Total	9,282.94	9,282.94	72,892.00	72,892.00	63,609.06	13 %
311 Communication & Postage	1,955.64	1,955.64	28,441.00	28,441.00	26,485.36	7 %
321 Printing & Forms	0.00	0.00	1,879.00	1,879.00	1,879.00	0 %
331 Subscriptions & Legal Notices	0.00	0.00	855.00	855.00	855.00	0 %
335 Memberships & Dues	0.00	0.00	2,055.00	2,055.00	2,055.00	0 %
339 Certification Renewals	225.50	225.50	1,070.00	1,070.00	844.50	21 %
341 Electricity	4,217.78	4,217.78	49,096.00	49,096.00	44,878.22	9 %
342 Gas	64.06	64.06	3,699.00	3,699.00	3,634.94	2 %
343 Sewer	207.01	207.01	1,516.00	1,516.00	1,308.99	14 %
344 Telephone & Internet Access	327.64	327.64	3,395.00	3,395.00	3,067.36	10 %
345 Cell Phone	211.50	211.50	2,373.00	2,373.00	2,161.50	9 %
346 Elm-Utilities Underground	853.89	853.89	5,254.00	5,254.00	4,400.11	16 %
347 Permits	0.00	0.00	103.00	103.00	103.00	0 %
348 Billings Alarm	0.00	0.00	655.00	655.00	655.00	0 %
349 Quality Testing	495.00	495.00	7,196.00	7,196.00	6,701.00	7 %
351 Legal Fees	1,223.80	1,223.80	22,771.00	22,771.00	21,547.20	5 %
352 Accounting Fees	0.00	0.00	14,956.00	14,956.00	14,956.00	0 %
353 Engineering Fees	0.00	0.00	167,370.00	167,370.00	167,370.00	0 %
355 Data Processing Services	1,589.06	1,589.06	49,578.00	49,578.00	47,988.94	3 %
361 Repair & Maint. Contract Services	2,749.00	2,749.00	21,801.00	21,801.00	19,052.00	13 %
363 Meters Repair & Maintenance	0.00	0.00	57,660.00	57,660.00	57,660.00	0 %
366 Building Maintenance	0.00	0.00	1,355.00	1,355.00	1,355.00	0 %
371 Travel & Lodging	0.00	0.00	2,023.00	2,023.00	2,023.00	0 %
381 Training & Tuition	875.00	875.00	1,392.00	1,392.00	517.00	63 %

08/09/23
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BILLINGS HEIGHTS WATER DISTRICT
Object Summary Budget vs. Actual Query
For the Accounting Period: 7 / 23

Page: 2 of 2
Report ID: B100S0

Object		Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Committed
3XX	Object Group Total	14,994.88	14,994.88	446,493.00	446,493.00	431,498.12	3 %
	411 Concrete	5,600.00	5,600.00	5,351.00	5,351.00	-249.00	105 %
	451 Gravel & Sand	0.00	0.00	3,203.00	3,203.00	3,203.00	0 %
	471 Asphalt & Cold Mix	3,405.00	3,405.00	15,660.00	15,660.00	12,255.00	22 %
4XX	Object Group Total	9,005.00	9,005.00	24,214.00	24,214.00	15,209.00	37 %
	510 Business Insurance	94,146.00	94,146.00	12,910.00	12,910.00	-81,236.00	729 %
	533 Equipment Rental	0.00	0.00	0.00	0.00	0.00	0 %
	555 Bank Service Charges	762.20	762.20	8,178.00	8,178.00	7,415.80	9 %
	591 Taxes	6,969.70	6,969.70	7,897.00	7,897.00	927.30	88 %
	592 DEQ Service Connection Fee	0.00	0.00	11,962.00	11,962.00	11,962.00	0 %
5XX	Object Group Total	101,877.90	101,877.90	40,947.00	40,947.00	-60,930.90	249 %
	620 Interest	0.00	0.00	0.00	0.00	0.00	0 %
6XX	Object Group Total	0.00	0.00	0.00	0.00	0.00	0 %
	810 Losses (Bad Debt)	0.00	0.00	0.00	0.00	0.00	0 %
	890 Miscellaneous	0.00	0.00	0.00	0.00	0.00	0 %
	892 Bank Reconciliation-Cash Over/Under	0.00	0.00	0.00	0.00	0.00	0 %
	899 Water Purchased	0.00	0.00	3,026,106.00	3,026,106.00	3,026,106.00	0 %
8XX	Object Group Total	0.00	0.00	3,026,106.00	3,026,106.00	3,026,106.00	0 %
	920 Capital Improvements	0.00	0.00	183,405.00	183,405.00	183,405.00	0 %
	930 Capital Outlay-Improvements to Plant	3,339.00	3,339.00	443,437.00	443,437.00	440,098.00	1 %
	940 Capital Outlay-Building & Equipment	470.65	470.65	162,372.00	162,372.00	161,901.35	0 %
	970 Project Engineering	0.00	0.00	162,416.00	162,416.00	162,416.00	0 %
9XX	Object Group Total	3,809.65	3,809.65	951,630.00	951,630.00	947,820.35	0 %
Grand Total:		209,942.32	209,942.32	5,503,328.00	5,503,328.00	5,293,385.68	4 %



1 1 1 D55996 SSNR01001
COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS
1540 POPELKA
BILLINGS MT 59105-4468

Your Financial Advisor (M805):
STEPHEN KNUDSON, CFP (R)
Telephone: (406) 252-2447

Office Serving Your Account:
401 NORTH 31ST STREET
SUITE 1610
BILLINGS, MT 59101

PRIMARY INVESTMENT OBJECTIVE: Income
RISK TOLERANCE: Moderately Conservative
For a full definition of this objective and risk tolerance, including the use of margin, please see [www.stifel.com](#), IMPORTANT DISCLOSURES, or contact your Financial Advisor. If you have any questions concerning your investment objective or risk tolerance, or wish to make a change, please contact your Financial Advisor or the Branch Manager for this office.

TRADING TAX LOT RELIEF METHOD: First In, First Out
INVESTOR UPDATE

Inflation is still trending at some of the highest levels since the late 1970s. Investing in inflation-resistant diversifiers, such as stocks, high-yield bonds, and treasury inflation-protected securities, can potentially help you keep up or even outpace inflation for the long haul. Contact your Stifel Financial Advisor to learn more.

ACCOUNT PROTECTION
Stifel, Nicolaus & Company, Incorporated provides up to \$150 million of coverage for securities held in client accounts, of which \$1.15 million may be in cash deposits. Ask your Financial Advisor for more details.

Thank you for allowing Stifel to serve you. In order to protect your rights, including rights under the Securities Investor Protection Act (SIPA), please promptly report, in writing, any inaccuracies or discrepancies in this account or statement to the Compliance Department of Stifel at the address below. If you have any questions regarding your account or this statement, please contact your Financial Advisor or the Branch Manager for this office. For additional information regarding your Stifel account, please refer to the current Stifel Account Agreement and Disclosure Booklet, which is available at [www.stifel.com/disclosures/account-agreement](#).

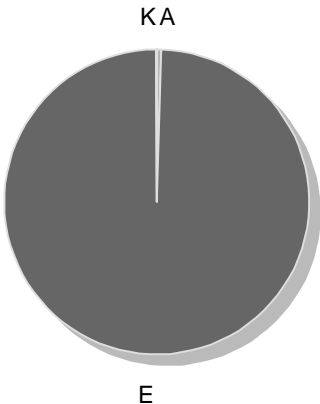
STIFEL ACCOUNT STATEMENT

PORTFOLIO SUMMARY	July 31	June 30
Net Cash Equivalents **	30,550.11	7,203.19
Net Portfolio Assets held at Stifel ⁴	6,357,791.56	6,342,787.09
Net Portfolio Assets not held at Stifel		
Net Portfolio Value	\$6,388,341.67	\$6,349,990.28
YOUR CHANGE IN PORTFOLIO VALUE	July 31	June 30
Net Cash Flow (Inflows/Outflows) ²		
Securities Transferred In/Out		
Income and Distributions	25,306.41	6,316.06
Change in Securities Value	13,044.98	547.31
Net Change in Portfolio Value	\$38,351.39	\$6,863.37

** See the Stifel Insured Bank Deposit Program Disclosure Statements for additional information.
² Does not include cost or proceeds for buy or sell transactions.
⁴ Includes balances which are FDIC insured bank deposits, not cash held in your Securities Account and not covered by SIPC.
You have securities maturing and/or options expiring.

YOUR ASSET SUMMARY

	Value on July 31, 2023 (\$)	Percentage of your account
A Net Cash Equivalents**	30,550.11	0.48%
E Fixed Income-Other	6,352,517.84	99.44%
K Stifel Smart Rate ⁴	5,273.72	0.08%
Total Assets	\$6,388,341.67	100.00%



ASSET SUMMARY

Value as of July 31, 2023					Gains/(-)Losses		
	<i>At Stifel</i>	<i>Not at Stifel</i>	<i>Total</i>	<i>% of assets *</i>	<i>Unrealized</i>	<i>Realized</i>	
						<i>This Period</i>	<i>Year-to-date</i>
Cash	-90,000.00		-90,000.00				
Cash Sweep**	120,550.11		120,550.11				
Margin Balance							
A. Net Cash Equivalents	\$30,550.11		\$30,550.11	0.48%			
B. Equities							
C. Preferreds							
D. Fixed Income-Muni							
E. Fixed Income-Other	6,352,517.84		6,352,517.84	99.44%	-145,897.89		
F. Mutual Funds							
G. Unit Investment Trusts							
H. Insurance Products							
I. Alternative Investments							
J. Other Investments							
K. Stifel Smart Rate Program **	5,273.72		5,273.72	0.08%			
Net Portfolio Assets	\$6,357,791.56	\$0.00	\$6,357,791.56	99.52%	-\$145,897.89	\$0.00	\$0.00
Net Portfolio Value	\$6,388,341.67	\$0.00	\$6,388,341.67	100.00%	-\$145,897.89	\$0.00	\$0.00

INCOME & DISTRIBUTION SUMMARY

	<i>Security Type</i>	<i>Year-to-date</i>	<i>This period</i>
Dividends	Tax-Exempt		
	Taxable		
Interest	Tax-Exempt		
	Taxable	103,609.20	25,306.41
Capital Gain Distributions			
Return of Principal			
Other			
Total Income & Distributions		\$103,609.20	\$25,306.41

INFORMATION SUMMARY

	<i>Security Type</i>	<i>Year-to-date</i>	<i>This period</i>
Accrued Interest Paid	Tax-Exempt		
	Taxable	64.11	64.11
Accrued Interest Received	Tax-Exempt		
	Taxable		
Gross Proceeds		2,019,182.06	616,238.03
Federal Withholding			
Foreign Taxes Paid			
Margin Interest Charged			

* Please note "% of assets" figures are shown gross of any amounts owed to Stifel and/or net short positions.

** Include balances which are FDIC insured bank deposits, not cash held in your Securities Account and not covered by SIPC.

**ASSET DETAILS**

This section shows the cash equivalents and/or securities in your account. Prices obtained from outside sources are considered reliable but are not guaranteed by Stifel. Actual prices may vary, and upon sale, you may receive more or less than your original purchase price. Contact your Financial Advisor for current price quotes. Gain/Loss is provided for informational purposes only. Cost basis may be adjusted for, but not limited to, amortization, accretion, principal paydowns, capital changes, listed option premiums, gifting rules, inheritance step-up, or wash sales. The Gain/Loss information should not be used for tax preparation without the assistance of your tax advisor. Lot detail quantity displayed is truncated to the one thousandth of a share.

NET CASH EQUIVALENTS

	<i>Current value</i>	<i>Cost Basis</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
CASH	-90,000.00	-90,000.00		
STIFEL FDIC INSURED	120,550.11	120,550.11	361.65	0.30%
Total Net Cash Equivalents	\$30,550.11	\$30,550.11	\$361.65	1.18%

STIFEL INSURED BANK DEPOSIT PROGRAM

Funds deposited through the Stifel Insured Bank Deposit Program (the "Program") may be deposited at multiple banks. The Program's Disclosure Statement is available at www.stifel.com/disclosures/account-agreement. The deposits are not covered by the Securities Investor Protection Corporation ("SIPC"). Deposits are insured by the FDIC within applicable limits.

Balances in the Program or in any money market fund offered as an available fund for Cash Investment Services at Stifel, subject to applicable limits, can be liquidated upon request and the proceeds returned to your securities account or can be distributed directly to you with the proper withdrawal form on file.

PORTFOLIO ASSETS - HELD AT STIFEL

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
CAPITAL ONE BANK USA NA GLEN ALLEN VA CD FDIC #33954 CPN 2.200% DUE 08/07/23 DTD 08/07/19 FC 02/07/20 CUSIP: 14042TBL0 <i>Original Cost: 202,225.00</i>	Cash	200,000	99.9430 " 199,886.00	100.0057 200,011.46	2,109.59	-125.46	4,400.00	2.20%
RAYMOND JAMES BANK NA ST PETERSBURG FL FDIC #33893 CPN 1.700% DUE 08/14/23 DTD 02/14/20 FC 08/14/20 CUSIP: 75472RAW1	Cash	250,000	99.8670 " 249,667.50	100.0000 250,000.00	1,956.16	-332.50	4,250.00	1.70%

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
LIVE OAK BANKING CO WILMINGTON NC CD FDIC #58665 CPN 1.800% DUE 09/13/23 DTD 12/13/19 FC 01/01/20 CUSIP: 538036HH0	Cash	50,000	99.6080 " 49,804.00	100.0000 50,000.00	76.44	-196.00	900.00	1.81%
CIT BANK SALT LAKE CITY UT CD FDIC #35575 CPN 3.250% DUE 09/25/23 DTD 09/25/13 FC 03/25/14 CUSIP: 17284CPB4 <i>Original Cost: 220,851.44</i>	Cash	210,000	99.7060 " 209,382.60	100.2130 210,447.37	2,412.13	-1,064.77	6,825.00	3.26%
GE CAPITAL RETAIL BANK DRAPER UT CD FDIC #27314 CPN 3.300% DUE 10/04/23 DTD 10/04/13 FC 04/04/14 CUSIP: 36830KQD5 <i>Original Cost: 104,534.55</i>	Cash	99,000	99.6200 " 98,623.80	100.2540 99,251.46	1,065.13	-627.66	3,267.00	3.31%
BMW BANK OF NORTH AMER SALT LAKE CITY UT CD FDIC #35141 CPN 0.300% DUE 10/23/23 DTD 04/23/21 FC 10/23/21 CUSIP: 05580AZL1	Cash	200,000	98.8830 " 197,766.00	100.0000 200,000.00	164.38	-2,234.00	600.00	0.30%
GE CAPITAL RETAIL BANK DRAPER UT CD FDIC #27314 CPN 3.250% DUE 12/13/23 DTD 12/13/13 FC 06/13/14 CUSIP: 36162THJ6 <i>Original Cost: 158,327.27</i>	Cash	150,000	99.1940 " 148,791.00	100.5014 150,752.04	654.46	-1,961.04	4,875.00	3.28%
ALLY BANK MIDVALE UT CD FDIC #57803 CLLB CPN 3.250% DUE 02/05/24 DTD 08/04/22 FC 02/04/23 CALL 09/04/23 @ 100.000 CUSIP: 02007GXD0	Cash	250,000	98.9920 " 247,480.00	100.0000 250,000.00	3,962.33	-2,520.00	8,125.00	3.28%

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
BEAL BANK USA LAS VEGAS NV CD FDIC #57833 CPN 3.050% DUE 02/07/24 DTD 08/10/22 FC 02/10/23 CUSIP: 07371DEK9	Cash	250,000	98.8540 " 247,135.00	100.0000 250,000.00	3,593.15	-2,865.00	7,625.00	3.09%
LIVE OAK BANKING CO WILMINGTON NC CD FDIC #58665 CPN 0.350% DUE 04/22/24 DTD 04/20/21 FC 05/01/21 CUSIP: 538036PQ1	Cash	200,000	96.4100 " 192,820.00	100.0000 200,000.00	59.45	-7,180.00	700.00	0.36%
MEGA BANK SAN GABRIEL CA CD FDIC #58401 CPN 0.250% DUE 04/22/24 DTD 04/22/21 FC 10/22/21 CUSIP: 58517JAG7	Cash	250,000	96.3640 " 240,910.00	100.0000 250,000.00	172.94	-9,090.00	625.00	0.26%
MEDALLION BANK SALT LAKE CITY UT CD FDIC #57449 CPN 0.300% DUE 04/23/24 DTD 04/23/21 FC 05/23/21 CUSIP: 58404DKE0	Cash	250,000	96.3590 " 240,897.50	100.0000 250,000.00	18.50	-9,102.50	750.00	0.31%
FIRST NATL BANK OF AMER EAST LANSING MI CD FDIC #17438 CPN 0.200% DUE 04/29/24 DTD 04/27/21 FC 05/27/21 CUSIP: 32110YTJ4	Cash	250,000	96.1990 " 240,497.50	100.0000 250,000.00	6.85	-9,502.50	500.00	0.21%
TIAA FSB JACKSONVILLE FL CD FDIC #34775 CPN 0.300% DUE 04/29/24 DTD 04/27/21 FC 10/27/21 CUSIP: 87270LDW0	Cash	250,000	96.2980 " 240,745.00	100.0000 250,000.00	197.27	-9,255.00	750.00	0.31%

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
FIRST STATE B&T CO CARTHAGE TX CD FDIC #11559 CPN 0.300% DUE 10/28/24 DTD 04/28/21 FC 05/28/21 CUSIP: 33651JAA9	Cash	250,000	93.9150 " 234,787.50	100.0000 250,000.00	8.22	-15,212.50	750.00	0.32%
LUANA SVGS BANK LUANA IA CD FDIC #00253 CPN 0.300% DUE 11/07/24 DTD 05/07/21 FC 11/07/21 CUSIP: 549104XP7	Cash	150,000	93.7120 " 140,568.00	100.0000 150,000.00	106.03	-9,432.00	450.00	0.32%
EAGLEBANK BETHESDA MD CD FDIC #34742 CPN 5.200% DUE 01/21/25 DTD 07/21/23 FC 08/21/23 CUSIP: 27002YGE0	Cash	150,000	99.6430 " 149,464.50	100.0000 150,000.00	235.07	-535.50	7,800.00	5.22%
WESTERN ALLIANCE BANK PHOENIX AZ CD FDIC #57512 CPN 4.750% DUE 04/21/25 DTD 04/21/23 FC 10/21/23 CUSIP: 95763PLQ2	Cash	185,000	98.8880 " 182,942.80	100.0000 185,000.00	2,455.69	-2,057.20	8,787.50	4.80%
CHARLES SCHWAB BANK SSB WESTLAKE TX CD FDIC #57450 CPN 4.800% DUE 04/24/25 DTD 04/20/23 FC 10/20/23 CUSIP: 15987UBK3	Cash	250,000	98.9670 " 247,417.50	100.0000 250,000.00	3,386.31	-2,582.50	12,000.00	4.85%
WELLS FARGO BANK NA SIOUX FALLS SD CD FDIC #03511 CPN 4.750% DUE 04/25/25 DTD 04/25/23 FC 05/25/23 CUSIP: 949764BD5	Cash	250,000	98.8810 " 247,202.50	100.0000 250,000.00	227.74	-2,797.50	11,875.00	4.80%

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
NORTHERN B&T CO WOBURN MA CD FDIC #18266 CLLB CPN 4.900% DUE 04/26/25 DTD 04/26/23 FC 10/26/23 CALL 09/26/23 @ 100.000 CUSIP: 66476QDT2	Cash	250,000	99.1330 " 247,832.50	100.0000 250,000.00	3,255.48	-2,167.50	12,250.00	4.94%
BARCLAYS BANK DE WILMINGTON DE CD FDIC #57203 CPN 3.300% DUE 07/28/25 DTD 07/27/22 FC 01/27/23 CUSIP: 06740KQZ3 <i>Original Cost: 150,080.00</i>	Cash	150,000	96.0610 " 144,091.50	100.0364 150,054.57	67.81	-5,963.07	4,950.00	3.44%
SALLIE MAE BANK SALT LAKE CITY UT CD FDIC #58177 CPN 5.050% DUE 08/04/25 DTD 08/02/23 FC 02/02/24 CUSIP: 795451DA8	Cash	90,000	99.5560 " 89,600.40	100.0000 90,000.00	N/A	-399.60	4,545.00	5.07%
GOLDMAN SACHS BANK USA NEW YORK NY CD FDIC #33124 CPN 3.500% DUE 01/09/26 DTD 01/09/19 FC 07/09/19 CUSIP: 38148P4A2 <i>Original Cost: 253,195.00</i>	Cash	250,000	95.8430 " 239,607.50	100.9227 252,306.76	551.37	-12,699.26	8,750.00	3.65%
SYNCHRONY BANK DRAPER UT CD FDIC #27314 CPN 2.200% DUE 06/17/26 DTD 06/17/16 FC 12/17/16 CUSIP: 87165EJ65	Cash	60,000	91.7670 " 55,060.20	91.8027 55,081.63	162.74	-21.43	1,320.00	2.40%
FEDL FARM CREDIT BANK BOND CPN 3.750% DUE 07/13/26 DTD 07/13/22 FC 01/13/23 CALL 08/07/23 @ 100.000 CUSIP: 3133ENA26 <i>Original Cost: 504,255.00</i>	S&P: AA+ Moody: Aaa Cash	500,000	96.4800 482,400.00	100.0000 500,000.00	937.50	-17,600.00	18,750.00	3.89%

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Fixed Income-Other	<i>Symbol/ Bond Rating/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Accrued Income⁶</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
SALLIE MAE BANK SALT LAKE CITY UT CD FDIC #58177 CPN 1.000% DUE 07/14/26 DTD 07/14/21 FC 01/14/22 CUSIP: 7954507A7	Cash	160,000	88.4680 " 141,548.80	87.5964 140,154.25	78.90	1,394.55	1,600.00	1.13%
DISCOVER BANK GREENWOOD DE CD FDIC #05649 CPN 3.500% DUE 08/10/26 DTD 08/08/22 FC 02/08/23 CUSIP: 254673P34	Cash	250,000	95.1840 " 237,960.00	100.0000 250,000.00	4,171.23	-12,040.00	8,750.00	3.68%
ENERBANK USA SALT LAKE CITY UT CD FDIC #57293 CPN 0.650% DUE 09/25/26 DTD 09/25/20 FC 10/25/20 CUSIP: 29278TRM4	Cash	225,000	86.7380 " 195,160.50	85.9361 193,356.19	28.05	1,804.31	1,462.50	0.75%
CAPITAL ONE NA MCLEAN VA CD FDIC #04297 CPN 4.700% DUE 10/26/26 DTD 10/26/22 FC 04/26/23 CUSIP: 14042RVC2	Cash	50,000	98.4940 " 49,247.00	100.0000 50,000.00	624.52	-753.00	2,350.00	4.77%
WASHINGTON SVGS BK LOWELL MA CD FDIC #90229 CPN 4.550% DUE 11/02/26 DTD 11/02/22 FC 12/02/22 CUSIP: 939693AS6	Cash	222,000	98.0420 " 217,653.24	100.0000 222,000.00	830.22	-4,346.76	10,101.00	4.64%
UBS BANK USA SALT LAKE CITY UT CD FDIC #57565 CPN 4.600% DUE 07/26/27 DTD 07/26/23 FC 08/26/23 CUSIP: 90355GEW2	Cash	250,000	98.2270 " 245,567.50	100.0000 250,000.00	189.04	-4,432.50	11,500.00	4.68%
Total Fixed Income-Other		6,551,000	\$6,352,517.84	\$6,498,415.73	\$33,764.70	-\$145,897.89	\$172,183.00	2.71%

Principal Protected Notes are subject to the credit risk of the issuer. Principal Protected Market Linked CDs are subject to applicable limits.

ASSET DETAILS (continued)**PORTFOLIO ASSETS - HELD AT STIFEL (continued)**

Stifel Smart Rate Program	<i>Symbol/ Type</i>	<i>Quantity</i>	<i>Current Price/ Current Value</i>	<i>Average Unit Cost/ Cost Basis</i>	<i>Unrealized Gain/(-)Loss¹⁰</i>	<i>Estimated Annualized Income</i>	<i>Estimated Yield %</i>
STIFEL SMART RATE STIFEL BANK & TRUST ID:	Cash	5,273.720	1.0000 5,273.72	1.0000 5,273.72	0.00	263.68	5.00%
<i>Interest Option: Reinvest</i>							
Total Stifel Smart Rate Program			\$5,273.72	\$5,273.72	\$0.00	\$263.68	5.00%
Stifel Smart Rate is a FDIC insured bank deposit held in Stifel's name for the benefit of clients, not cash held in your securities account and not covered by SIPC.							
Total Portfolio Assets - Held at Stifel			\$6,357,791.56	\$6,503,689.45	-\$145,897.89	\$172,446.68	2.71%
Total Net Portfolio Value			\$6,388,341.67	\$6,534,239.56	-\$145,897.89	\$172,808.33	2.71%

FOOTNOTE DEFINITIONS

- ⁶ **Accrued Income:** Accrued Income amounts are provided for informational purposes only and are not included as part of the Net Portfolio Value. Accrued Income represents the sum of accrued interest and accrued dividends on securities positions, but which Stifel has not yet received. Stifel cannot guarantee the accuracy of the Accrued Income, which may be subject to change. Accrued Income amounts are not covered by SIPC and should not be relied upon for making investment decisions.
- ¹⁰ Please note "Unrealized Gain/(-)Loss" does not equal the total current value minus the total cost if any value or cost amounts are missing. Unrealized gains or losses are provided for your information only and should not be used for tax purposes.
- " The price assigned to this instrument may have been provided by a national pricing service and is derived from a 'market-driven pricing model.'
This price may not be the actual price you would receive in the event of a sale prior to the maturity of the C.D. Additional information is available upon request.



RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE COUNTY WATER DISTRICT OF BILLINGS HEIGHTS WATER
REGARDING BOARD MEMBERS

WHEREAS, the County Water District of Billings Heights (“District”) is a duly formed and operating water district pursuant to Title 7, Parts 22 and 23 of the Montana Code Annotated; and

WHEREAS, the 2023 Montana Legislature passed House Bill 35, which, in part, amended the composition of the District’s Board of Directors by clarifying there are five (5) elected members of the board of directors; and

WHEREAS, House Bill 35 modified §7-13-2232(2), MCA by authorizing the Board of Directors, at the Board of Directors discretion, to include one additional nonvoting ex officio member in the Board of Directors if the boundaries of the District include a municipality. Further, if the District Board of Directors determines it is in the best interest of the District to allow the one additional nonvoting ex officio member if the District boundaries include a municipality, that ex officio member must be appointed by the mayor of the municipality; and

WHEREAS, House Bill 35 modified §7-13-2232(3), MCA by authorizing the Board of Directors, at the Board of Directors discretion, to include one additional nonvoting ex officio member in the Board of Directors if the boundaries of the District include a unincorporated territory. Further, if the District Board of Directors determines it is in the best interest of the District to allow the one additional nonvoting ex officio member if the District boundaries include unincorporates territory, that ex officio member must be appointed by the board of county commissioners for each county containing the unincorporated territory; and

WHEREAS, House Bill 35 modified §7-13-2232(4), MCA by requiring the Board of Directors to one (1) additional member appointed by the municipality when a

municipal water system functions as the sole source of water for a district and if more than 60% of a district's customers reside within the limits of the municipality; and

WHEREAS, House Bill 35 was signed by Montana Governor Gianforte into law on May 18, 2023 and House Bill 35 became law upon "passage and approval", which was May 18, 2023; and

WHEREAS, the District includes the municipality of Billings Montana; and

WHEREAS, the District include unincorporated territory of Yellowstone County; and

WHEREAS, the City of Billings municipal water system functions as the sole source of water for the District and more than 60% of the District's customers reside within the municipal limits of the City of Billings; and

WHEREAS, the consideration of this Resolution was published and posted in accordance with Montana law; and

WHEREAS, at the regular meeting of the County Water District of Billings Heights held on August 16, 2023, the Board took and considered public comment, if any, made on this resolution.

NOW THEREFORE, be it resolved and ordained that the Board of Directors of the County Water District of Billings Heights shall consist of the five (5) elected members and one additional member required by §7-13-2232(4), appointed by the City of Billings because the Billings municipal water system functions as the sole source of water for the District and more than 60% of a district's customers reside within the limits of the City of Billings; and

IT IS FURTHER resolved and ordained that the Board of Directors of the County Water District of Billings Heights, after public notice, public comment, if any, and consideration of the best interests of the operations of the County Water District of Billings Heights decide and decline to expand the board of directors to include a nonvoting ex officio member for the municipal territory included in the District boundaries pursuant to §7-13-2232(2), MCA; and

IT IS FURTHER resolved and ordained that the Board of Directors of the County Water District of Billings Heights, after public notice, public comment, if any, and consideration of the best interests of the operations of the County Water District of Billings Heights decide and decline to expand the board of directors to include a nonvoting ex officio member for the unincorporated territory included in the District boundaries pursuant to §7-13-2232(3), MCA.

ADOPTED by the Board of Directors of the County Water District of Billings Heights
District on this ____ day of _____, 2023.

**COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS**

BY: _____
ITS: President, Doug Kary

Attest:

Board Secretary



AN ACT REVISING COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATION LAWS; REMOVING CERTAIN APPOINTED COUNTY WATER AND/OR SEWER DISTRICT BOARD POSITIONS; ALLOWING FOR NONVOTING EX OFFICIO MEMBERS ON A COUNTY WATER AND/OR SEWER DISTRICT BOARD IN CERTAIN CIRCUMSTANCES; REQUIRING A MUNICIPAL APPOINTMENT IN DISTRICTS THAT PURCHASE WATER FROM A MUNICIPALITY; CLARIFYING THE DATE A DIRECTOR'S TERM OF OFFICE BEGINS; REMOVING BOND REQUIREMENTS OF CERTAIN COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATIVE PERSONNEL; AMENDING SECTIONS 7-13-2231, 7-13-2232, 7-13-2233, 7-13-2234, 7-13-2259, AND 7-13-2262, MCA; REPEALING SECTION 7-13-2279, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-13-2231, MCA, is amended to read:

"7-13-2231. Election or appointment of board of directors. (1) The district shall elect a board of directors, except as provided in subsection (2).

(2) If no qualified electors reside in the district at a time when directors of the district are to be elected, the directors must be appointed in a certificate of appointment. The certificate of appointment must be signed by the owners of all of the real property in the district and must contain the signed acceptance of the appointment by all of the directors.

(3) The board of directors is the governing body of the district.

~~(4) When an appointed director's term expires, the position must be filled by election, except as provided in subsection (2)."~~

Section 2. Section 7-13-2232, MCA, is amended to read:

"7-13-2232. Composition of board of directors. (1) ~~If there are no municipalities within the boundaries of said district, the~~ Except as provided in subsection (4), the board of directors ~~shall~~ must consist of five elected members or three elected members if there are 10 or ~~less~~ fewer qualified electors in the district.

(2) ~~In all cases where the boundaries of such district include any municipality or municipalities, said board, in addition to said five or three directors to be elected as aforesaid, shall consist of one additional director for each of said municipalities within such district, each such additional director to be appointed by the mayor of the municipality for which said additional director is allowed, and, if there be any unincorporated territory within said district, one additional director to be appointed by the board of county commissioners of each county containing such territory. If the boundaries of the district include a municipality, the board may include one additional nonvoting ex officio member as provided in [section 3] for each municipality located within the district. Each nonvoting ex officio member must be appointed by the mayor of the municipality for which the nonvoting ex officio member is allowed.~~

(3) If the boundaries of the district include unincorporated territory, the board may include one additional nonvoting ex officio member as provided in [section 3] appointed by the board of county commissioners of each county containing the unincorporated territory.

(4) (a) If a municipal water system functions as the sole source of water for a district and if more than 60% of a district's customers reside within the limits of the municipality, the board of directors must include one additional member appointed by the municipality.

(b) The member appointed pursuant to this subsection (4):

(i) must have knowledge of the municipal water system;

(ii) must be appointed in the manner provided in 7-13-2259, except that the appointment must also be approved by the city council;

(iii) serves at the pleasure of the appointing authority; and

(iv) serves the term of office provided in 7-13-2234."

Section 3. Nonvoting ex officio members -- requirements -- compensation. (1) A district whose boundaries include a municipality or unincorporated territory may include on its board of directors a nonvoting ex officio member or members as allowed in 7-13-2232.

- (2) A nonvoting ex officio member:
 - (a) must be appointed by the mayor of the municipality or by the board of county commissioners of the county the member represents;
 - (b) serves at the pleasure of the appointing authority for the term of office allowed in 7-13-2234;
 - (c) is not entitled to compensation under 7-13-2273 but may receive compensation from the municipality or county the member represents;
 - (d) may not hold office as a presiding officer of the district; and
 - (e) is required to meet the qualifications of a director provided in 7-13-2233 except that the nonvoting ex officio member may reside outside the boundaries of the district and is not required to own property in the district.

Section 4. Section 7-13-2233, MCA, is amended to read:

"7-13-2233. Qualifications of directors. (1) To be eligible for election or appointment to a board of directors, a person must be:

- (a) registered to vote as required by law;
- (b) 18 years of age or older;
- (c) a citizen of the United States; and
- (d) a resident of the district or an owner of real property in the district who is a resident of the state of Montana.

~~(2) A person who is serving on a board of directors on July 1, 2017, who does not meet the qualifications under subsection (1) may serve the remainder of the person's term but may not be reelected or reappointed to the board. A person elected or appointed after July 1, 2017, must meet the qualifications under subsection (1).~~

(2) A person appointed to a board of directors as a nonvoting ex officio member as provided in [section 3] must meet the requirements of this section except that the person may reside outside the boundaries of the district and is not required to own property in the district.

(3) A person appointed by a municipality to a board of directors pursuant to 7-13-2232(4) must have knowledge of the municipal water system."

Section 5. Section 7-13-2234, MCA, is amended to read:

"7-13-2234. Term of office. (1) The term of office of a director begins on the first Monday of the month following the date of the director's election or appointment. A director, elected or appointed, shall hold office until the ~~election and qualification or the appointment and qualification of the term of office of the~~ director's successor begins.

(2) Except as provided in subsection (3), the term of office of a director must be 4 years.

(3) (a) In districts requiring the election of five directors, three of the initial directors shall serve for a term of 2 years and two of the initial directors shall serve for a term of 4 years.

(b) In districts requiring the election of three directors, one initial director shall serve for a term of 2 years and two initial directors shall serve for a term of 4 years.

(c) At the first meeting following an initial election or appointment of directors, the directors shall determine by lot who shall serve a 2-year term.

(4) Directors to be first appointed under the provisions of part 23 and this part ~~and part 23~~ must be appointed within 90 days after the formation of the district."

Section 6. Section 7-13-2259, MCA, is amended to read:

"7-13-2259. Manner of making appointments. The mode of appointment of a director, ~~or directors~~ including the appointment of a nonvoting ex officio board member, by a mayor or by a board of county commissioners ~~shall~~ must be by certificate of appointment signed by ~~said the~~ mayor or issued by ~~said the~~ board of county commissioners and transmitted to the board of directors of ~~said the~~ district."

Section 7. Section 7-13-2262, MCA, is amended to read:

"7-13-2262. Vacancies on board of directors -- appointment. (1) (a) Except as provided in subsections (2) ~~and (3)~~ through (4), any vacancy in the board of directors, whether the vacant office is elective or appointive, must be filled by majority vote of the remaining directors.

(b) A vacancy must be determined in accordance with 7-13-2263.

(2) If there are no directors remaining on the board and no nominees for any director position to be

elected, the county commissioners may appoint the number of directors specified in 7-13-2232(1). If the district lies in more than one county, the county commissioners of each county with territory included in the district shall jointly appoint the directors. The county commissioners shall stagger the terms of the directors appointed.

~~(3) If the boundaries of the district include any municipality or municipalities and a new board must be appointed as provided in subsection (2), the board shall include one additional director to be appointed by the mayor of the municipality for which the additional director is allowed.~~

~~(4)~~(3) Following the appointment of a board in accordance with subsection (2), the directors must be elected as provided in this part.

(4) A vacancy of a nonvoting ex officio board member or a board member appointed by a municipality pursuant to 7-13-2232(4) must be filled by appointment by the respective appointing authority."

Section 8. Repealer. The following section of the Montana Code Annotated is repealed:

7-13-2279. Performance bonds for administrative personnel.

Section 9. Codification instruction. [Section 3] is intended to be codified as an integral part of Title 7, chapter 13, part 22, and the provisions of Title 7, chapter 13, part 22, apply to [section 3].

Section 10. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
HB 35, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 35

INTRODUCED BY L. BREWSTER

BY REQUEST OF THE LOCAL GOVERNMENT INTERIM COMMITTEE

AN ACT REVISING COUNTY WATER ANDOR SEWER DISTRICT ADMINISTRATION LAWS; REMOVING CERTAIN APPOINTED COUNTY WATER ANDOR SEWER DISTRICT BOARD POSITIONS; ALLOWING FOR NONVOTING EX OFFICIO MEMBERS ON A COUNTY WATER ANDOR SEWER DISTRICT BOARD IN CERTAIN CIRCUMSTANCES; REQUIRING A MUNICIPAL APPOINTMENT IN DISTRICTS THAT PURCHASE WATER FROM A MUNICIPALITY; CLARIFYING THE DATE A DIRECTOR'S TERM OF OFFICE BEGINS; REMOVING BOND REQUIREMENTS OF CERTAIN COUNTY WATER ANDOR SEWER DISTRICT ADMINISTRATIVE PERSONNEL; AMENDING SECTIONS 7-13-2231, 7-13-2232, 7-13-2233, 7-13-2234, 7-13-2259, AND 7-13-2262, MCA; REPEALING SECTION 7-13-2279, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.



RESOLUTION NO. _____

WHEREAS, pursuant to Montana law, the County Water District of Billings Heights (the “District”) is governed by the board of directors; and

WHEREAS, the District is empowered to do all acts necessary for the full exercise of the general powers of the District; and

WHEREAS, the Board is entitled to compensation and the reimbursement of cost and expenses incurred in their capacity as a board member for the District

Now therefore let it be recognized by Board of Directors of the County Water District of Billings Heights, Billings, Yellowstone County, Montana:

The Board hereby Repeals Resolution No 006-06 and authorizes that each member of the Board of Directors who attends a Board of Directors’ meeting shall be entitled to \$100. Any expenses incurred by Board members must submit for reimbursement for those expenses for approval by the board for reimbursement.

PASSED by the Board of Directors of the County Water District of Billings Heights and **APPROVED** this 16th day of August, 2023.

**COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS**

BY: _____
ITS: President, Doug Kary

Attest:

Board Secretary

RESOLUTION NO. 006-06

WHEREAS, pursuant to Montana law, the County Water District of Billings Heights (the "District") is governed by the board of directors; and

WHEREAS, the District is empowered to do all acts necessary for the full exercise of the general powers of the District; and

WHEREAS, the Board is entitled to compensation and the reimbursement of cost and expenses incurred in their capacity as a board member and/or secretary for the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS of the County Water District of Billings Heights, Billings, Yellowstone County, Montana as follows:

The Board hereby authorizes that each member of the Board of Directors and the secretary who attends a Board of Directors' meeting shall be entitled to reimbursement for expenses and costs in the amount of \$50.00. Board members who do not attend a meeting shall not be entitled to receive reimbursement for expenses or costs.

PASSED by the Board of Directors of the County Water District of Billings Heights and **APPROVED** this 13th day of September 2006.

**COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS,**

BY: _____

ITS: Pres.

Attest:

Cheryl J. Maddison
Secretary

Total General Counsel Interactions FY 22-23

Date	Time	Charge	Corrected
02/01/23	.50	\$147.50	\$92.50
03/23/2023	.20	\$59.00	\$46.25
04/17/2023	.20	\$59.00	\$46.25
04/27/2023	.60	\$177.00	\$111.00
05/26/2023	.25	<u>\$73.75</u>	<u>\$46.25</u>
		\$516.75	\$342.25

Total Misbilled: \$174.00

Hi Peyton

If you want to go back and re-figure all of bills at \$185 and apply the District's overpayment to the current amount due, please do so. Then my office will write off whatever is not paid.

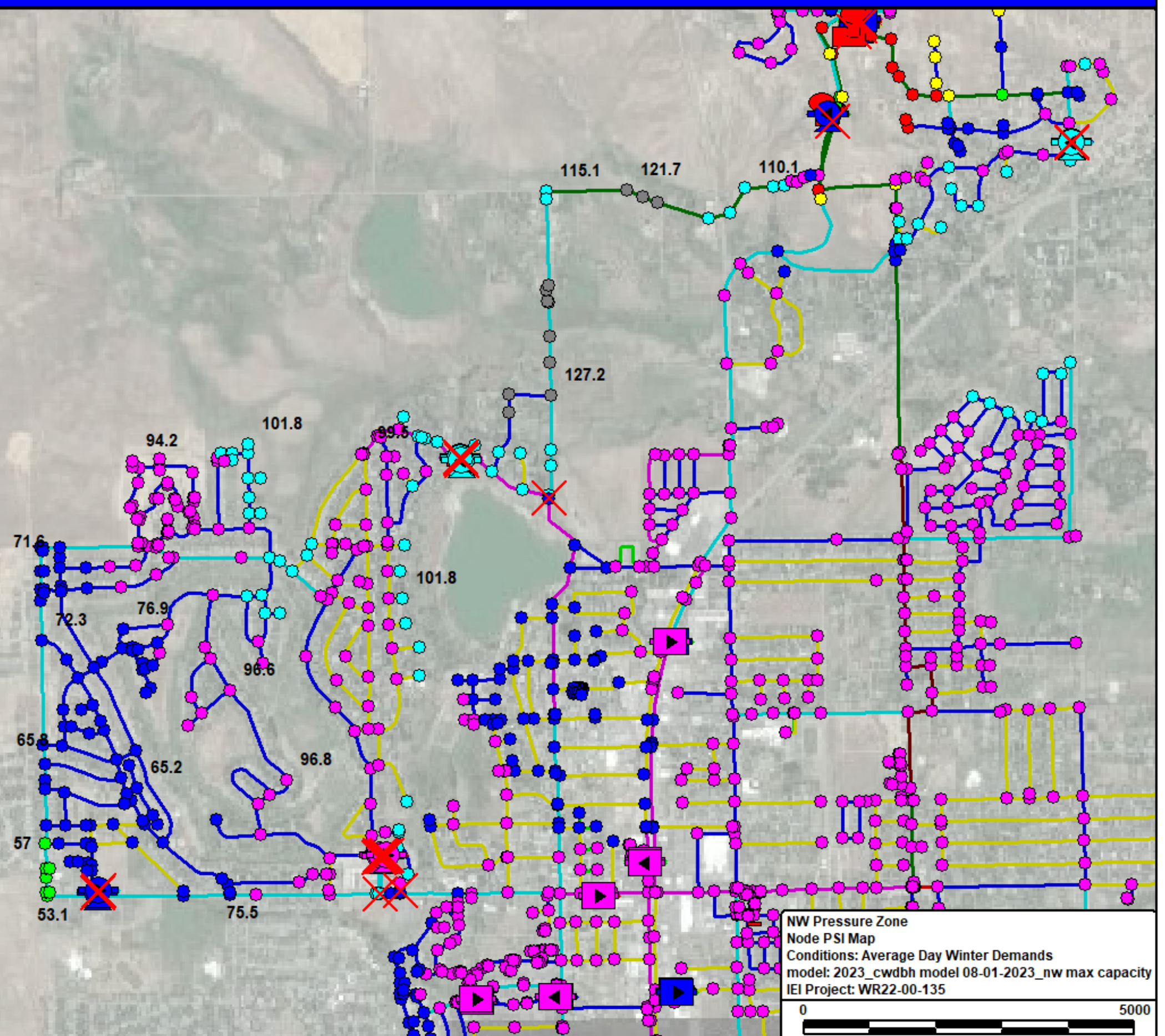
Our billing system does not allow us to re-calculate finalized bills. I do not want to pay Susan Carroll to spend the time doing so.

Then we will be square and we can move forward from today.

**Susan B. Swimley
Attorney and Counselor at Law
1807 West Dickerson, Unit B
Bozeman MT 59715
406 -586-5544 (telephone)
406-586-3130 (fax)**

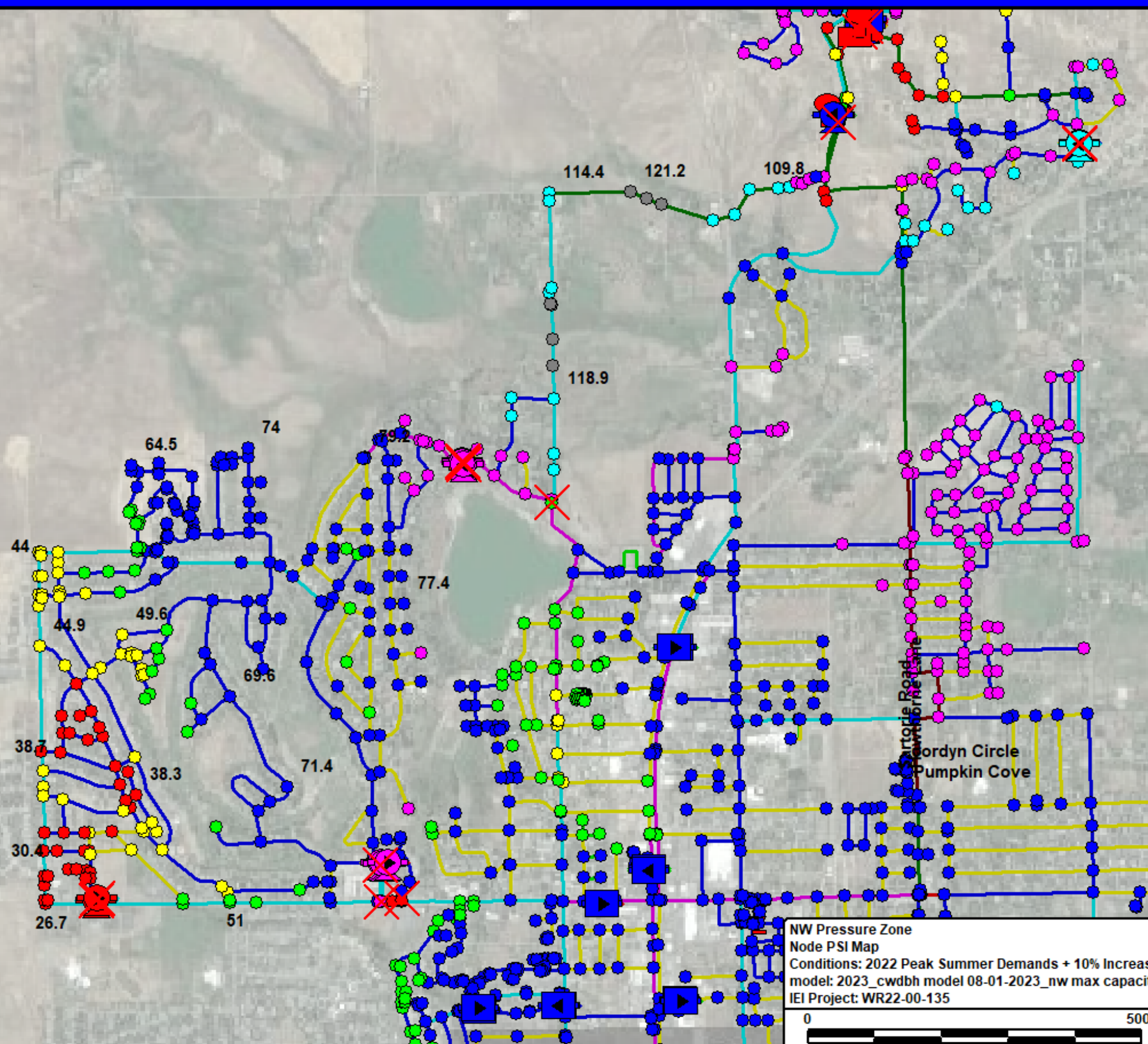
2023 COUNTY WATER DISTRICT OF BILLINGS HEIGHTS WATER MODEL

Node Pressure Average	Pipe Diameter
<= 40	<= 2
<= 50	<= 4
<= 60	<= 6
<= 80	<= 8
<= 100	<= 10
<= 120	<= 12
> 120	<= 16
	<= 24
	> 24



2023 COUNTY WATER DISTRICT OF BILLINGS HEIGHTS WATER MODEL

Node Pressure Time 4.1384	Pipe Diameter
● ≤ 40	— ≤ 2
● ≤ 50	— ≤ 4
● ≤ 60	— ≤ 6
● ≤ 80	— ≤ 8
● ≤ 100	— ≤ 10
● ≤ 120	— ≤ 12
● > 120	— ≤ 16
	— ≤ 24
	— > 24

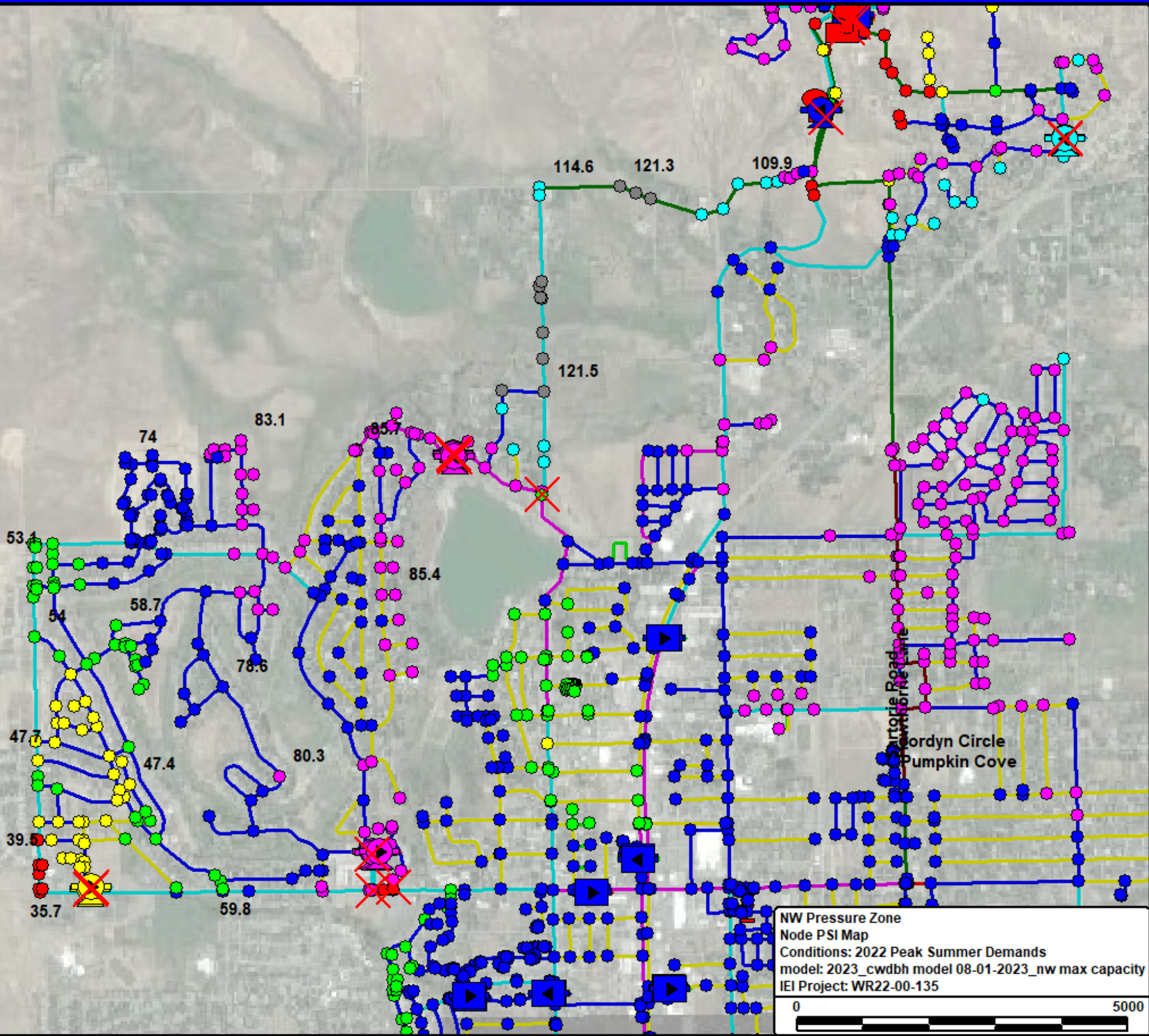


NW Pressure Zone
Node PSI Map
Conditions: 2022 Peak Summer Demands + 10% Increase
model: 2023_cwdbh model 08-01-2023_nw max capacity
IEI Project: WR22-00-135

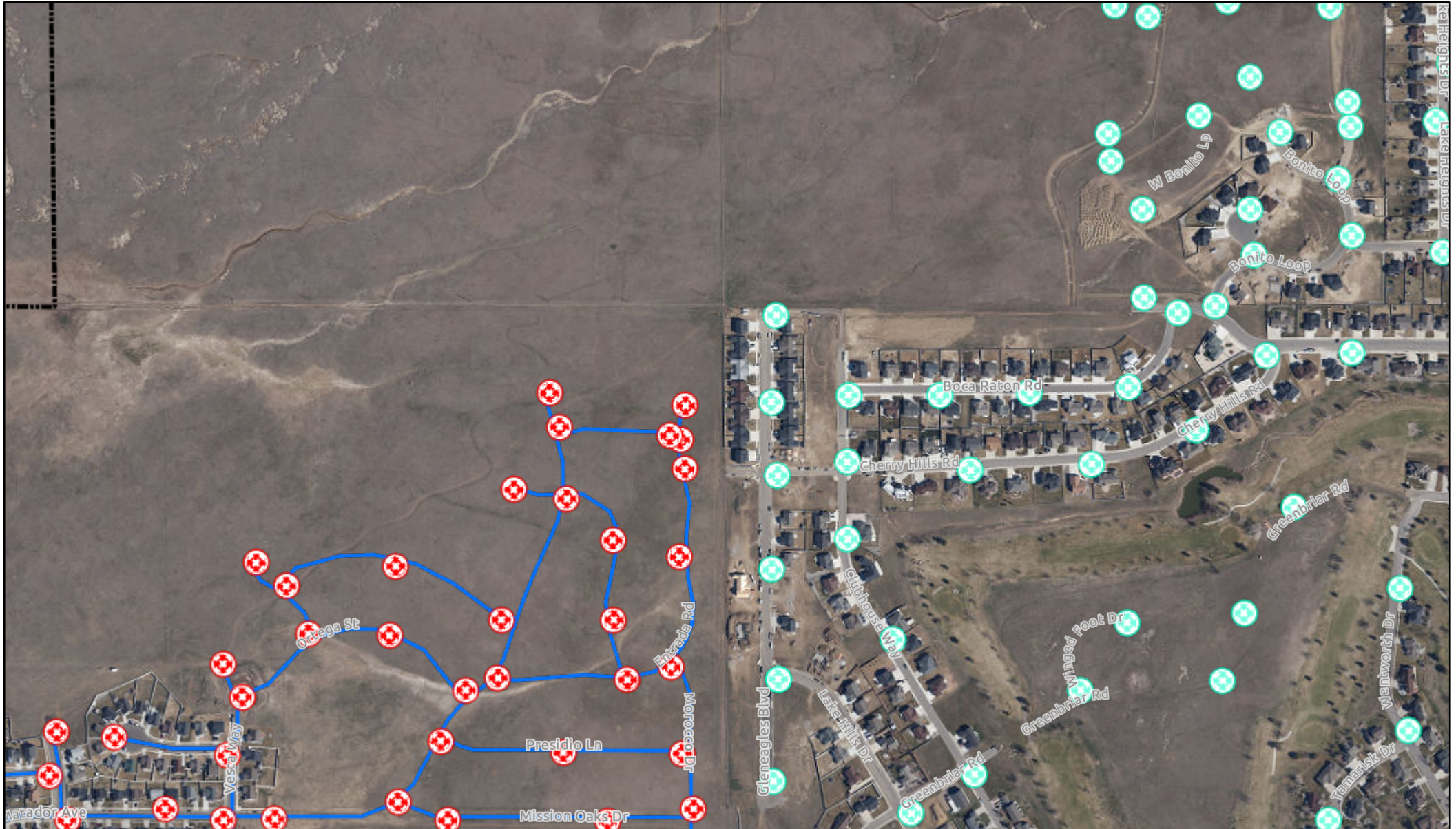


2023 COUNTY WATER DISTRICT OF BILLINGS HEIGHTS WATER MODEL

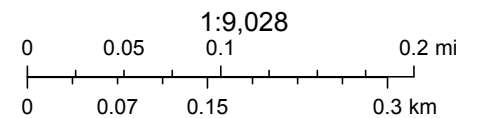
Node Pressure	Pipe Diameter
Time 4.2302	
<= 40	<= 2
<= 50	<= 4
<= 60	<= 6
<= 80	<= 8
<= 100	<= 10
<= 120	<= 12
> 120	<= 16
	<= 24
	> 24



ArcGIS Web Map



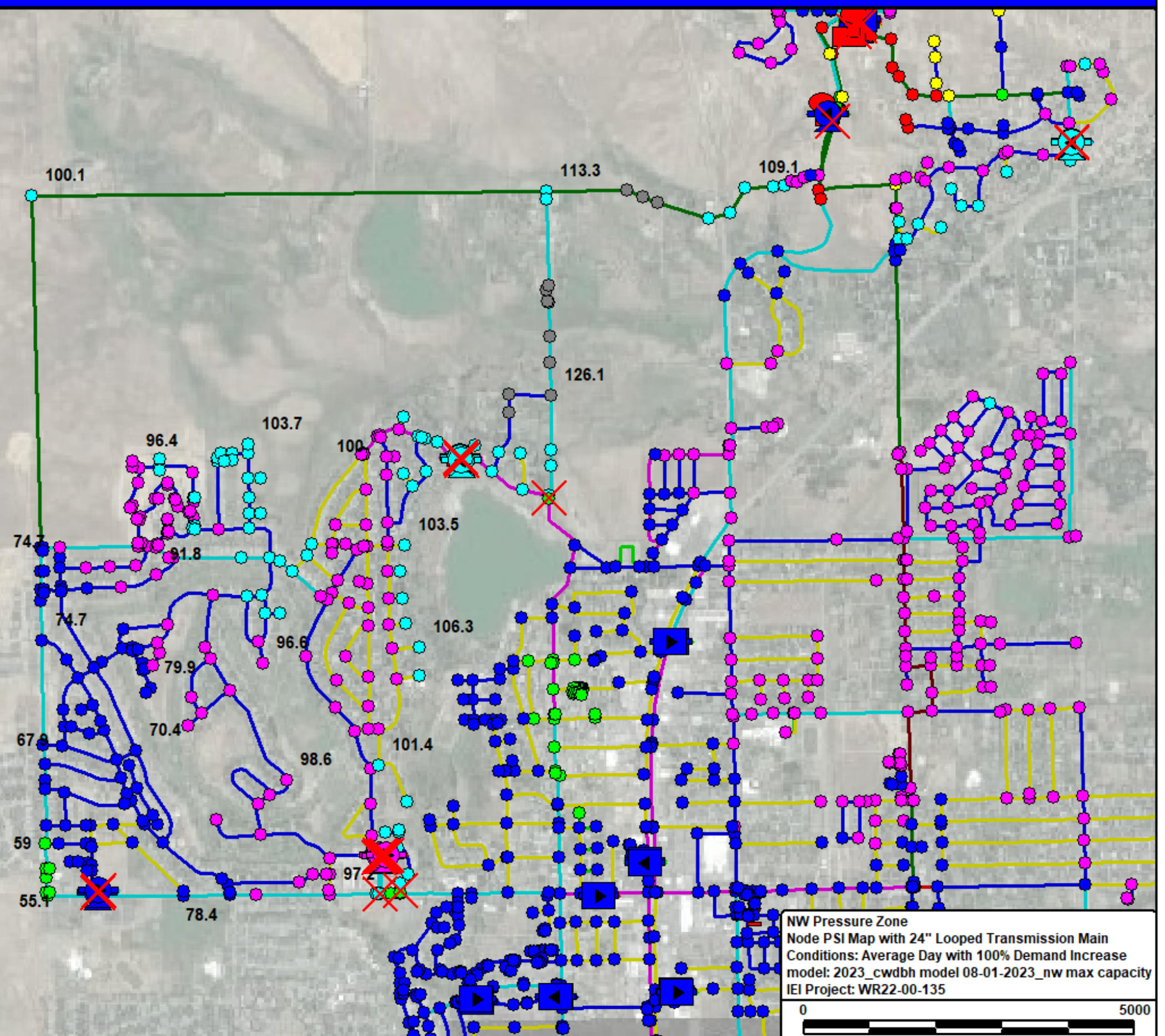
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2023 COUNTY WATER DISTRICT OF BILLINGS HEIGHTS WATER MODEL

Node Pressure Average	Pipe Diameter
<= 40	<= 2
<= 50	<= 4
<= 60	<= 6
<= 80	<= 8
<= 100	<= 10
<= 120	<= 12
> 120	<= 16
	<= 24
	> 24



County Water District of Billing Heights, Montana

Water Financial Plan, Cost-of-Service, Rate, and System Development Fee Study

Final Report / July 17, 2023

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July 17, 2023
Peyton Brookshire, District Engineer
County Water District of Billings Heights
1540 Popelka Drive
Billings, MT 59105

Subject: Water Financial Plan, Cost-of-Service, Rate, and System Development Fee Study

Dear Mr. Brookshire:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Final Water Financial Plan, Cost-of-Service, Rate, and System Development Fee Study Report (Report) for the County Water District of Billings Heights, Montana (District). The Report summarizes the key study findings and recommendations proposed for adoption by the District in 2023.

The major objectives of the study include:

- Develop separate water financial plans for the 10-year Study Period.
- Evaluate separate water rate revenue adjustments for the Study Period necessary to fund annual revenue requirements, maintain adequate cash reserves, and provide appropriate debt service coverage.
- Complete a separate water customer class cost-of-service analysis using a single (FY 2023-24) test-year.
- Propose base and volume rates by customer class for FY 2023-24 effective August 1, 2023.
- Complete a comprehensive evaluation of the District's capital recovery fees assessed to new developments, including alternative assessment approaches, and propose changes effective August 1, 2023.

It has been a pleasure working with the District. On behalf of the Raftelis team, we thank you, Josh Simpson, Interstate Engineering team members Lowell Cutshaw, Brad Boehm, and Eric Ler for their support, data development, insights, interim reviews, and overall assistance as part of the Study.

Sincerely,
RAFTELIS FINANCIAL CONSULTANTS, INC.



Andrew Rheem
Senior Manager

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- APPENDIX B: Cost-of-Service Results**
- APPENDIX C: FY 2023-24 Rate Recommendations**
- APPENDIX D: System Development Fee**

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1. Executive Summary

The County Water District of Billing Heights (District or Heights) retained Raftelis Financial Consultants, Inc. (Raftelis) to complete a comprehensive financial plan, cost-of-service, rate, and system development fee (SDF) study (Study). The purpose of the Study was to develop financial plans from Fiscal Year (FY¹) 2022-23 through FY 2030-31 (Study Period) and water rate and SDF structures consistent with District objectives. The District requested that Raftelis complete the following major objectives:

- » Develop financial plans for the Study Period.
- » Evaluate water rate revenue adjustments for the Study Period necessary to fund annual revenue requirements, maintain adequate cash reserves, and provide appropriate debt service coverage.
- » Complete a comprehensive evaluation of the District's SDFs, annexation fees, and related one-time capital recovery fees assessed to new development.
- » Complete customer class cost-of-service analysis using a single (FY 2023-24) test-year.
- » Propose water rates by customer class for FY 2023-24 effective August 1, 2023.

Our report to the District contains seven sections as follows:

- » Section 1 – Executive Summary
- » Section 2 – Introduction
- » Section 3 – Utility Background, City of Billings, Customer Data, & Growth
- » Section 4 – Financial Plan
- » Section 5 – Water Cost-of-Service
- Section 6 – FY 2023-24 Rates
- » Section 7 - System Development Fees

The report contains four appendices including the water and wastewater financial plan, FY 2023-24 test-year cost-of-service analysis, FY 2023-24 water and sewer rate design recommendations, water and sewer SDF calculations, rate, and SDF survey information.

- » Appendix A contains financial plan results and related data inputs and assumptions.
- » Appendix B contains cost-of-service results for the FY 2023-24 test-year.
- » Appendix C contains rate design alternatives and recommendations.
- » Appendix D contains SDF calculations, inputs, and recommendations.

The financial plans are organized around a total fund with separate operations and capital subfunds. The rate revenue requirements represent the cost of providing service and include O&M expenses, debt service obligations, and other cash inflows and outflows.

All capital costs are assigned to the capital subfund, where funding is provided from SDF revenues and other one-time capital recovery fees, interest income, and transfers from the operations subfund, net loan

¹ Refers to the year at the end of the fiscal year (e.g., FY 2023-24 is the period ending June 30, 2022).

proceeds, and grants (subject to award). The only expenses in the capital improvement subfund are capital improvement expenditures.

The financial plan evaluates the adequacy of system revenues (adjusted for customer and demand-related growth) to:

- » Fund annual O&M expenses, debt service and capital expenditures, and
- » Maintain the following financial performance thresholds or targets:
 - Exceed debt service coverage (DSC) ratio of at least 1.30 times maximum annual debt service².
 - Exceed water fund cash reserve targets of:
 - 25% (90 days) of annual O&M expenses PLUS
 - \$0.5 million capital reserve.

Figure 1-1 summarizes proposed water rate revenue increases during the Study Period that are necessary to fund annual expenditures and meet financial performance criteria. Following the presentations of the proposed multi-year financial plan in May and June 2023, Raftelis and the District identified \$6.3 million in District investments that had not been incorporated into the multi-year financial plan. When including these investments, the financial plan was updated with reductions to projected debt issuances and lower overall annual rate revenue increases over the Study Period as shown in Figure 4-2. The proposed FY 2023-24 was not modified with lower projected rate increases starting in FY 2024-25.

Figure 1-1: Projected Annual Water Rate Revenue Increases

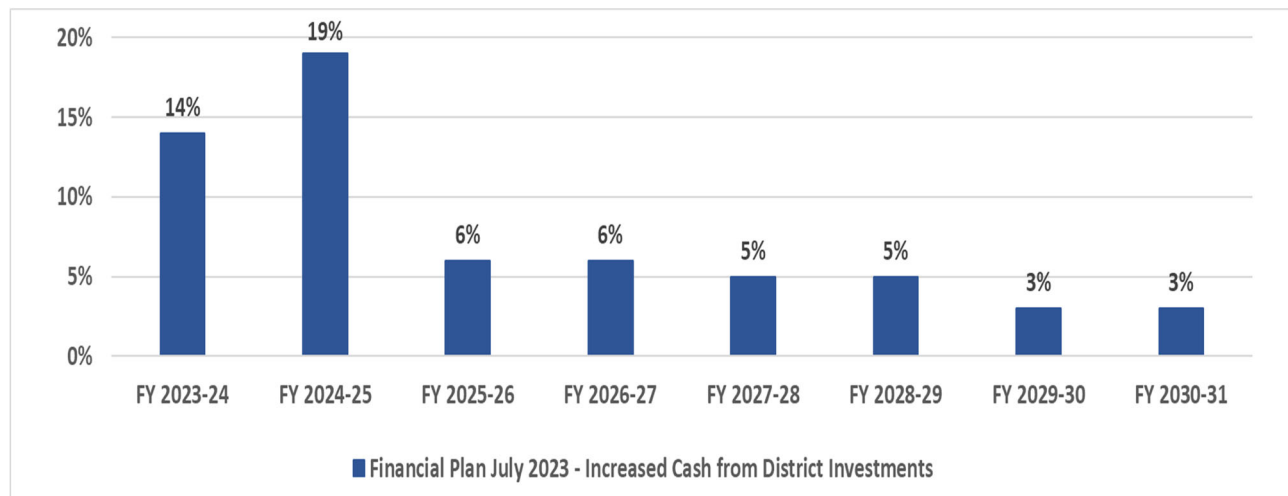
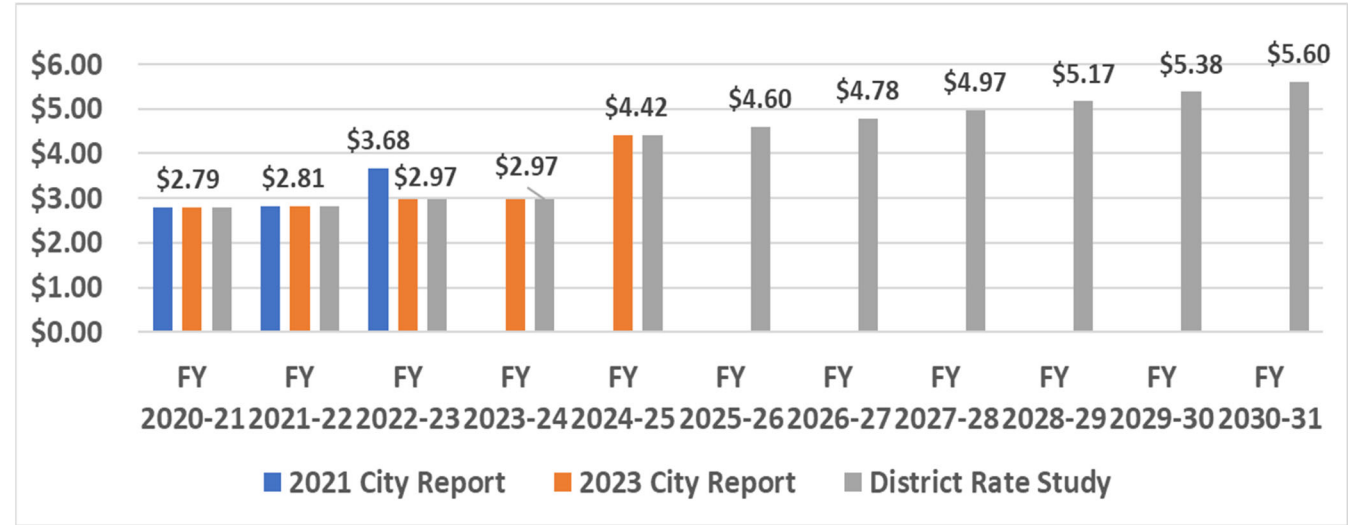


Figure 1-2 summarizes the projected City water rate per 1,000 gallons included in this rate study report through FY 2030-31. Also shown are the actual City treated water rates assessed to the District for the period of FY 2020-21 through FY 2023-24, projected rates for FY 2022-23 and FY 2023-24 that were part of a 2021

² Existing District loan covenants establish debt service coverage requirements require a DSC requirement 1.10 times the maximum annual debt service of current debt service and debt proposed to be issued.

City of Billings rate study proposal, and projected rates for FY 2023-24 and FY 2024-25 that were part of a 2023 City rate study proposal.

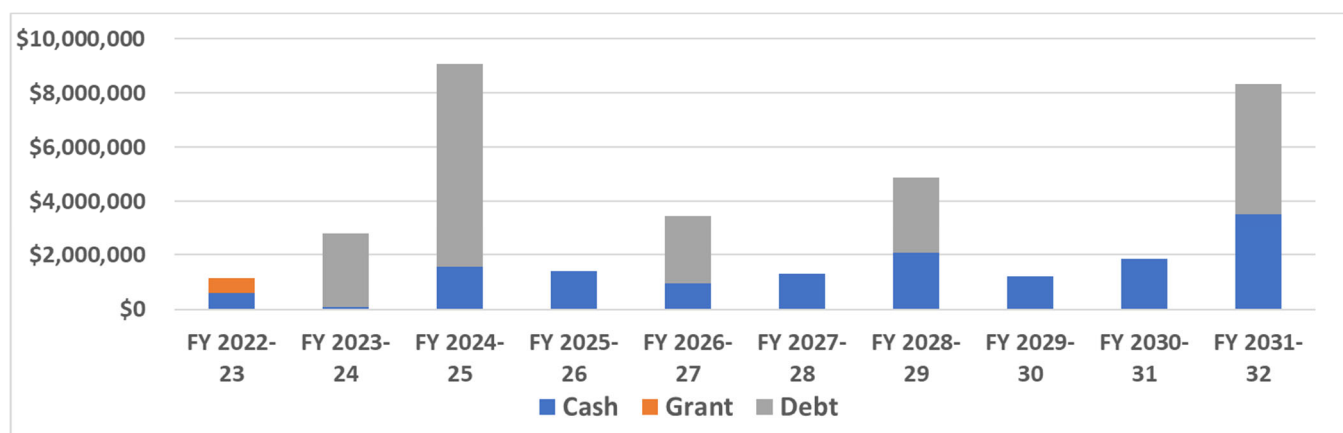
Figure 1-2: Actual and Projected City Water Rate per 1,000 Gallons



The projected annual water rate revenue increases within this study reflect a proposed 48.8% increase in the City’s treated water rate increasing the current \$2.97 per 1,000 gallons to \$4.42 per 1,000 gallons to assessed to the District effective July 1, 2024. After the City’s public hearing and adoption of the proposed FY 2023-24 and FY 2024-25 rates documented within the City’s 2023 rate report, the City informed the District that they are reviewing previously adopted FY 2024-25 District water rates and will be modifying the proposed rates. The City would like the District’s input and involvement with the rate review, but it’s unclear as of June 2023 the results of the rate update, so the multi-year rate recommendations maintain the City adopted rates increasing 48.8% effective July 1, 2024 until the District has updated information. If the City’s rate adjustments are lower than previously adopted, which seems likely, the District can update the multi-year financial plan and projected rates starting in FY 2024-25 and/or adjust the anticipated external debt issuances over the multi-year financial planning period sufficient to exceed financial planning thresholds.

The financial plan and capital funding incorporate the inflated CIP amounts based on the anticipated timing of the projects and an assumed capital inflation rate of 7.0% applied starting in FY 2023-24 and FY 2024-25 and decreasing to 3.0% annual inflation starting FY 2025-26 through the balance of the Study Period. The CIP reflects the separate study completed by Interstate Engineering and prioritized capital improvements by fiscal year. Figure 1-3 shows water capital projects totaling \$35.4 million comprised of \$20.3 in projected new debt, \$0.5 million in grants, and \$14.6 million cash-funded CIP by year from FY 2022-23 through FY 2031-32. The District will continue to apply for grant funding to reduce the cash and debt funding capital requirements.

Figure 1-3: Water Capital Projects and Projected Capital Funding



Raftelis worked with District staff to evaluate alternative rate structures and recommend monthly fixed and volume rates by customer class. The proposed rates include a fixed charge increasing by meter size and include different volumetric rate by customer classes for Residential, Commercial, and Irrigation-Only customers which transition closer to customer class cost of service while increasing overall user charges by 14%.

Appendix D contains additional details related to the recommended District rates. Tables 1-1, 1-2, and 1-3 summarize current and proposed monthly charge combined with the \$1.30 service line fee and volume rates to be effective August 1, 2023. Current District volume water rates include a tiered rate structure with a minimum monthly allowance of 3,300 gallons and increasing volume rates that apply to all customer classes and meter sizes. Proposed Residential customer volume rates include a tiered rate structure where the minimum monthly allowance is eliminated. Proposed Commercial and Irrigation-Only customer volume rates reflect separate uniform rates per 1,000 gallons of water use.

Table 1-1: Current and Proposed FY 2023-24 Water Base Charges

Meter Size	Current (1)	Proposed (1)
¾-inch and less	\$22.04	\$22.30
1-inch	23.60	30.70
1 ½-inch	25.69	53.80
2-inch	31.47	81.10
3-inch	74.03	154.60
4-inch	89.65	154.60
6-inch	144.72	467.50
8-inch	168.23	742.60
(1) Includes service line repair fee of \$1.30 per month.		

Following the December 2022 presentation, Raftelis worked with District staff to update the proposed FY 2023-24 rates to reflect feedback and adjustments resulting in a single alternative FY 2023-24 rates. The following recommendations are integrated within one or more alternatives:

- » Eliminate the minimum water allowance within the fixed monthly service charge.

- » Charge at least as much per 1,000 gallons as the City charges the District for treated water.
- » Separate Residential, Commercial, and Irrigation-only Customers into separate classes rate setting and cost recovery.
- » Improve customer class cost of service recovery amongst the established classes.
- » Update Ancillary and non-rate charges and fees to fully recover the costs of District services.

Table 1-2: Current Volume Water Rates

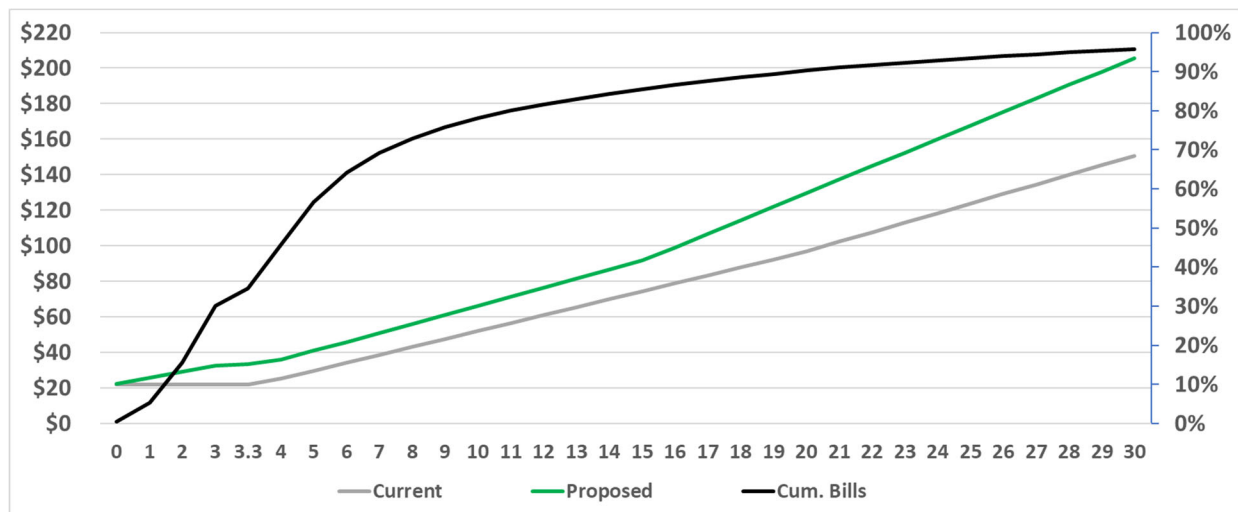
Customer Class	Description	Water Allocation	Rate per 1,000 gal.
Residential	Tier 1	0 – 3,300	\$0.00
Residential	Tier 2	3,301 – 20,000	4.48
Residential	Tier 3	20,001 – 50,000	5.38
Residential	Tier 4	Over 50,000	6.48

Table 1-3: Proposed Volume Water Rates

Customer Class	Description	Water Allocation	Rate per 1,000 gal.
Residential	Tier 1	0 – 4,000	\$3.38
Residential	Tier 2	4,001 – 15,000	5.07
Residential	Tier 3	15,001 – 40,000	7.61
Residential	Tier 4	Over 40,000	10.13
Non-Residential	Uniform	All Use	4.24
Water Retailers	Uniform	All Use	4.24
Irrigation-Only	Uniform	All Use	7.00

Figure 1-4 summarizes residential customer with a ¾-inch meter size and less monthly under current and proposed monthly charges and volume rates for each 1,000 gallon increment. The additional line on the second axis tracks the cumulative number of monthly bills for the same customers as water use increases at each 1,000 gallon increment.

Figure 1-4: Typical Monthly Water Residential Bill Impact



Raftelis a survey of comparable water utilities compared to the District’s current and proposed monthly bills using rates effective July 1, 2023. Figure 1-5 shows the monthly bills for a ¾-inch water customer meter using 10,000 gallons for this survey group.

Figure 1-5: Residential Monthly Water Bill Survey

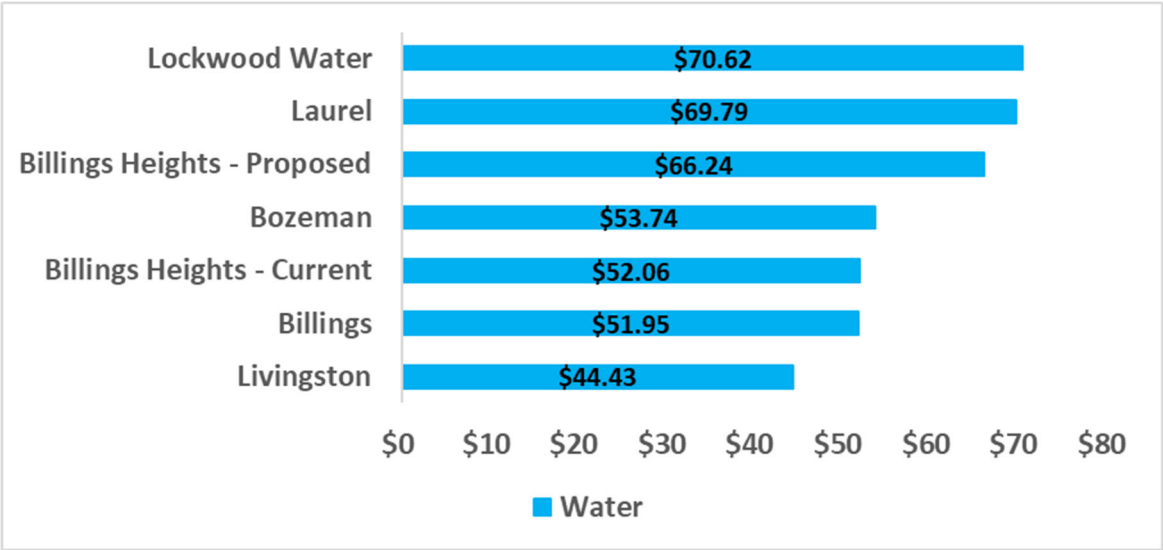
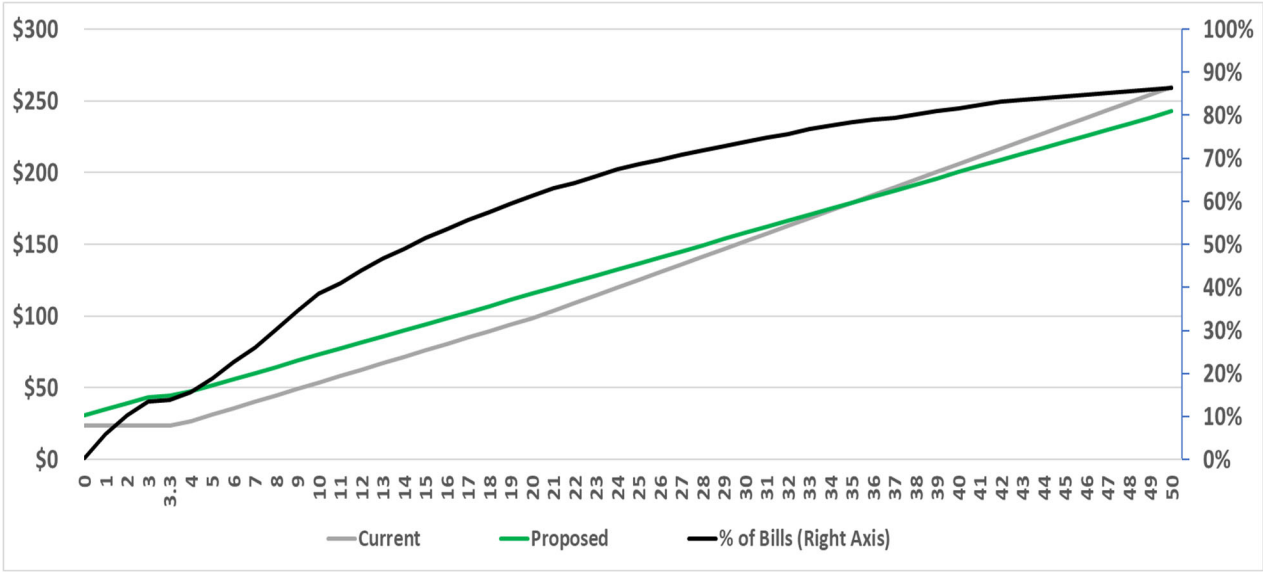


Figure 1-6 summarizes for commercial customers with a 1-inch meter size and less monthly under current and proposed monthly charges and volume rates for each 1,000 gallon increment. The additional line on the second axis tracks the cumulative number of monthly bills for the same customers as water use increases.

Figure 1-6: Monthly Commercial 1-inch Water Meter Customer Bill Comparison



SDFs are one-time capital recovery fees assessed to new or increased development. In growing utilities, such as the District, SDF receipts can provide a significant portion of required CIP funding and/or debt repayment

of external debt financing providing upfront funding. The District has historically assessed separate Annexation / Buy-in Fee and Service Connection Fees increasing by meter size. The Annexation / Buy-In Fee is assessed either per acre or per square foot as summarized in Table 1-4. Service Connection fees are assessed by meter size as summarized in Table 1-5.

Table 1-4: Current Service Connection Fee by Meter Size

Meter Size	Proposed
3/4-inch	\$1,830
1-inch	3,660
1 ½-inch	7,320
2-inch	11,714
4-inch	46,120
6-inch	146,411
8-inch	256,220

Table 1-5: Current Annexation Fee

Description	Annexation Fee	Assessment Basis
Assessment 1	\$10,148	Per Acre
Assessment 2	\$0.233	Per Square Foot

Raftelis proposes that the District:

- » Eliminate the Annexation / Buy-In and the Service Connection Fees and consolidate to a single capital recovery fee and implement:
 - SDFs increasing by meter size.
 - Establish a different Service Connection Fee which recovers the cost of the meter as well as District meter installation costs.
- » Index the SDF annually for inflation between more comprehensive updates.
- » Complete comprehensive SDF updates as dictated by the capital plan and/or system capacity for new development.
- » Update the adopted Service Connection Fee annually for changes in meter costs as well as District installation cost increases.
- » Implement a new administrative Annexation Fee to recover the District's incurred costs for administrative and procedural activities associated with processing the annexation.

Table 1-6 summarizes proposed water SDFs increasing by meter size³.

³ Developments that previously paid the annexation fee will receive a credit of \$2,500 per ¼-acre developed if the annexation fee was paid per acre or \$0.058 per square foot if the annexation fee was paid per square foot.

Table 1-6: Proposed FY 2023-24 SDFs by Meter Size

Meter Size	Proposed
3/4-inch	\$4,900
1-inch	8,167
1 ½-inch	16,333
2-inch	26,133
4-inch	52,267
6-inch	163,333
8-inch	261,333

Figure 1-7 shows a SDF comparison of the current and proposed District one-time capital recovery fees against those similar one-time time fees assessed to nearby and regional water utilities for a residential ¾-inch meter connection⁴.

Figure 1-7: Residential ¾-inch Meter SDF Survey Comparison

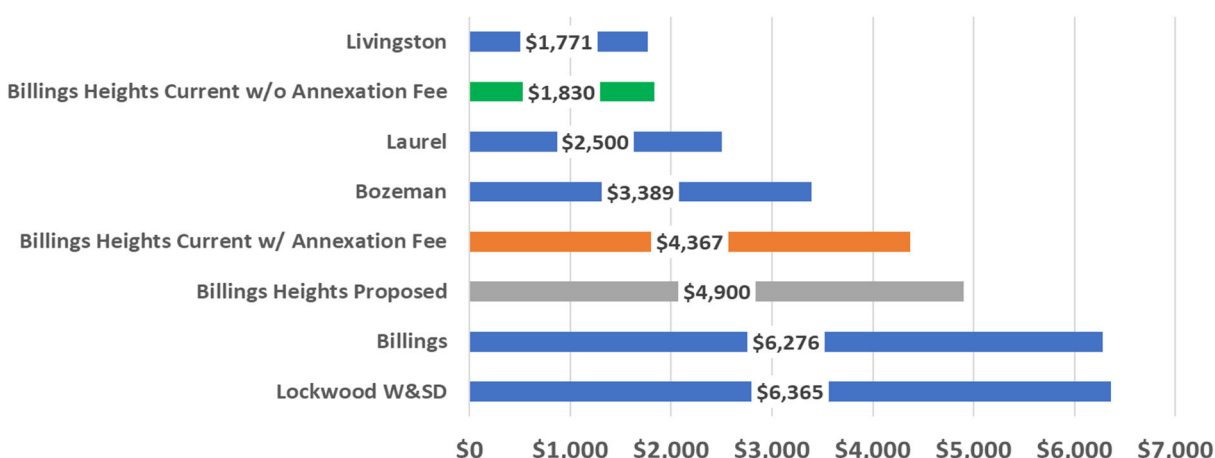
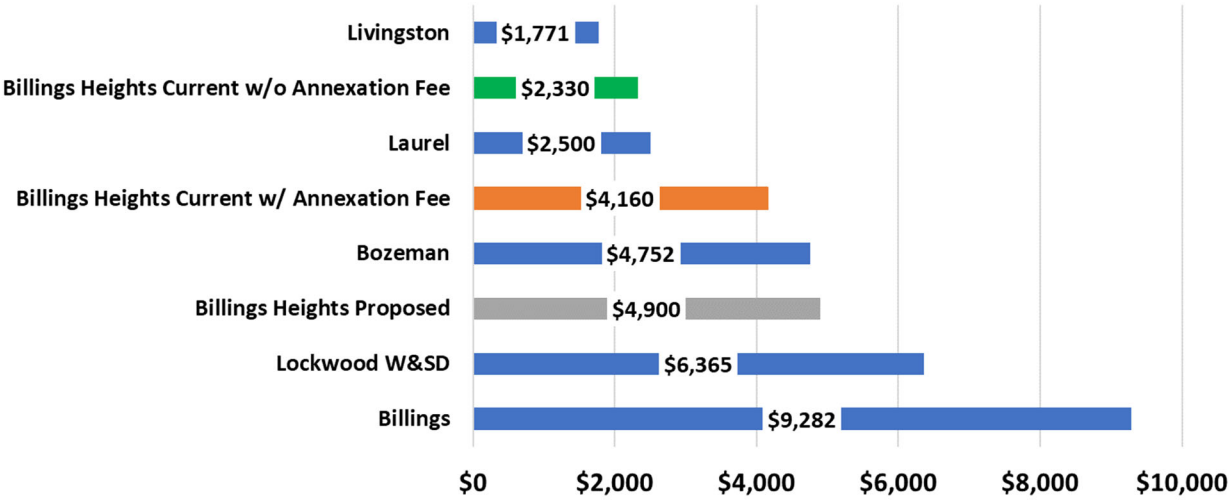


Figure 1-8 shows a Similar comparison for commercial ¾-inch SDFs for the same water utilities⁵.

⁴ For purposes of the survey, a residential connection is assumed to require a ¾-inch water meter, 0.25 acre lot, 2,000 square foot developed structure with 3 bedrooms.

⁵ For purposes of the survey, a commercial connection is assumed to require a ¾-inch water meter and develop a 10,000 square foot developed structure.

Figure 1-8: Commercial 3/4-inch Meter SDF Survey Comparison



2. Introduction

2.1. Study Overview

The County Water District of Billing Heights (District or Heights) retained Raftelis Financial Consultants, Inc. (Raftelis) to complete a comprehensive financial plan, cost-of-service, rate, and system development fee (SDF) study (Study). The purpose of the Study was to develop financial plans from Fiscal Year (FY⁶) 2022-23 through FY 2030-31 (Study Period) and water rate and SDF structures consistent with District objectives. The District requested that Raftelis complete the following major objectives:

- » Develop financial plans for the 10-year Study Period.
- » Evaluate water rate revenue adjustments for the Study Period necessary to fund annual revenue requirements, maintain adequate cash reserves, and provide appropriate debt service coverage.
- » Complete a comprehensive evaluation of the District's SDFs, annexation fees, and related one-time capital recovery fees assessed to new development.
- » Complete customer class cost-of-service analysis using a single (FY 2023-24) test-year.
- » Propose water rates by customer class for FY 2023-24 effective August 1, 2023.

The report contains four appendices including the water and wastewater financial plan, FY 2023-24 test-year cost-of-service analysis, FY 2023-24 water and sewer rate design recommendations, water and sewer SDF calculations, rate, and SDF survey information.

- » Appendix A contains financial plan results and related data inputs and assumptions.
- » Appendix B contains cost-of-service results for the FY 2023-24 test-year.
- » Appendix C contains rate design alternatives and recommendations.
- » Appendix D contains SDF calculations, inputs, and recommendations.

2.2. Acknowledgements

On behalf of the project team, we would like to acknowledge the commitment and contributions provided by the District Board, District Staff, and Interstate team members in completing this project. In particular, we would like to recognize the District staff of Peyton Brookshire and Josh Simpson and Interstate team members Lowell Cutshaw, Brad Boehm, and Eric Ler for their support, data development, insights, interim reviews, and overall assistance as part of the Study.

2.3. Reliance on District Provided Data

During this project, the District and Interstate provided Raftelis with a variety of technical information from capital improvement program, assets, operational to audited and unaudited financial reports, meter, billing data, and revenue data. Raftelis assessed the information for errors and reasonableness but did not independently assess or test for the accuracy of such data, historic or projected. We have relied on this data

⁶ Refers to the year at the end of the fiscal year (e.g., FY 2023-24 is the period ending June 30, 2024).

in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report.

As is often the case, there will be differences between actual and projected data. Some of the assumptions used in this report will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the data or results projected in this report and actual results achieved; these differences may be material. As such, we take no responsibility for the accuracy of data or projections provided by or prepared on behalf of the District, nor do we have any responsibility for updating this report for events occurring after the date of this report.

3. Utility Background, Water Use & Growth

The District maintains a water system which consists of large and small main water distribution pipelines, pumping facilities, treated water storage reservoirs, fire hydrants, customer meters, administrative service center, and miscellaneous facilities, equipment, and vehicles. The District receives treated water services from the City delivered through a single master metered service connection.

Interstate completed a master planning and CIP study evaluation of the Districts water system documented within a separate report presented to the District Board in December 2022.

3.1. Customer Bills, Use and Revenues

The District currently serves approximately 6,000 customers amongst Residential, Commercial, Water Retailers, Irrigation-Only, Standby Fire customer classifications or groupings. Table 3-1 summarizes projected FY 2022-23 customer accounts and water use by customer class and meter size grouping based on FY 2019-20 and FY 2020-21 water use information and accounts adjusted for customer growth.

Table 3-1: Projected FY 2022-23 Water Customer Data

Customer Class	Meter Size	Bills	% of Total Bills	Billed Use (1,000 gals)	% of Billed Use	Revenue	% of Revenue
Residential	¾-inch and less	61,874	85.9%	428,984	54.3%	2,675,440	54.9%
Residential	1-inch and greater	4,494	6.2%	61,049	7.7%	352,025	7.2%
Commercial	¾-inch and less	1,864	2.6%	23,750	3.0%	138,945	2.9%
Commercial	1-inch and greater	3,404	4.7%	216,363	27.4%	1,331,915	27.3%
Water Retailers	All	60	0.1%	23,067	2.9%	149,621	3.1%
Irrigation-Only	All	<u>324</u>	<u>0.5%</u>	<u>36,612</u>	<u>4.7%</u>	<u>223,985</u>	<u>4.6%</u>
Total	All	72,020	100.0%	789,825	100.0%	\$4,871,931	100.0%

Table 3-2 details projected water use by tier in 1,000 gallons the percent of the class-based use for the same tiers incorporated within the Study analysis and projected water user charges revenues.

Table 3-2: Projected FY 2022-23 Water Use by Tier and Volume Revenues

Class / Tier	Water Use by Tier (1,000 gals)	% of Water Use by Tier	Volume Revenue by Tier	% of Volume Revenue by Tier
Residential				
Tier 1	164,478	33.6%	\$0	0.0%
Tier 2	237,878	48.5%	1,065,696	68.6%
Tier 3	72,813	14.9%	391,733	25.2%
Tier 4	<u>14,864</u>	<u>3.0%</u>	<u>96,321</u>	<u>6.2%</u>
Subtotal	490,033	100.0%	1,553,750	100.0%
Commercial				
Tier 1	15,169	6.3%	\$0	0.0%
Tier 2	49,210	20.5%	220,459	16.9%
Tier 3	46,904	19.5%	252,341	19.3%
Tier 4	<u>128,831</u>	<u>53.7%</u>	<u>834,825</u>	<u>63.85%</u>
Subtotal	240,113	100.0%	1,307,625	100.0%
Irrigation-Only				
Tier 1	975	2.7%	\$0	0.0%
Tier 2	4,355	11.9%	19,512	9.0%
Tier 3	5,637	15.4%	30,329	14.0%
Tier 4	<u>25,644</u>	<u>70.0%</u>	<u>166,176</u>	<u>76.9%</u>
Subtotal	36,612	100.0%	216,017	100.0%
Water Retailers				
Tier 1	186	0.8%	\$0	0.0%
Tier 2	804	3.5%	3,600	2.5%
Tier 3	1,440	6.2%	7,747	5.3%
Tier 4	<u>20,637</u>	<u>89.5%</u>	<u>133,725</u>	<u>92.2%</u>
Subtotal	23,067	100.0%	145,072	100.0%
All				
Tier 1	180,808	22.9%	\$0	0.0%
Tier 2	292,247	37.0%	1,309,267	40.6%
Tier 3	126,794	16.1%	682,150	21.2%
Tier 4	<u>189,976</u>	<u>24.1%</u>	<u>1,231,047</u>	<u>38.2%</u>
Subtotal	789,825	100.0%	3,222,464	100.0%

3.2. Growth Assumptions

Annual water growth for District residential, commercial customers, and irrigation-only customers are projected to grow 1.36% in FY 2023-24 and 1.45% annually starting in FY 2024-25. Table 3-3 shows accounts by meter size and customer class in FY 2022-23 incorporating projected growth.

Table 3-3: Accounts by Meter Size to start FY 2022-23

Customer Type	Residential	Commercial	Water Retailers	Irrigation-Only	Total
¾-inch and less	5,156	155	0	6	5,311
1-inch	343	134	1	12	490
1 ½-inch	23	68	0	6	97
2-inch	4	46	1	3	54
3-Inch	1	8	0	0	9
4-Inch	3	16	2	0	21
6-Inch	0	9	1	0	10
8-Inch	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
Total	5,530	439	5	27	6,002

4. Financial Plan

The multi-year financial plan, supporting worksheets and calculations, revenue projections, and assumptions are detailed in Appendix A. The financial plans are organized around a total fund with separate operations and capital subfunds. The rate revenue requirements represent the cost of providing service and include O&M expenses, debt service obligations, and other cash inflows and outflows.

All capital costs are assigned to the capital subfund, where funding is provided from SDF revenues and other one-time capital recovery fees, interest income, and transfers from the operations subfund, net loan proceeds, and grants (subject to award). The only expenses in the capital improvement subfund are capital improvement expenditures.

The financial plan evaluates the adequacy of system revenues (adjusted for customer and demand-related growth) to:

- » Fund annual O&M expenses, debt service and capital expenditures, and
- » Maintain the following financial performance thresholds or targets:
 - Exceed debt service coverage (DSC) ratio of at least 1.30 times maximum annual debt service⁷.
 - Exceed water fund cash reserve targets of
 - 25% (90 days) of annual O&M expenses PLUS
 - \$0.5 million capital reserve

Raftelis recommends that the District establish rates and fees to exceed a DSC ratio of at least 1.30 times the maximum annual debt service. The DSC ratio target is applied to outstanding debt and debt projected to be issued over the Study Period to fund capital projects. At present, the District is required to maintain a minimum debt service coverage of 1.10 times maximum annual debt service on the outstanding water debt obligations. As debt service payments are made and/or new debt is issued, the maximum annual debt service for each fiscal year may change based on the total debt then outstanding. This requirement is based on the gross revenues of the system which include all income, charges, and revenues derived directly or indirectly by the District from the operation and use of the water system, including rates, charges, and other fees such as SDFs less annual O&M expenses. For planning purposes, as revenues include both one-time SDFs and weather and growth dependent sales that may fluctuate year-over-year, Raftelis recommends the more conservative DSC ratio target minimum for rate setting purposes.

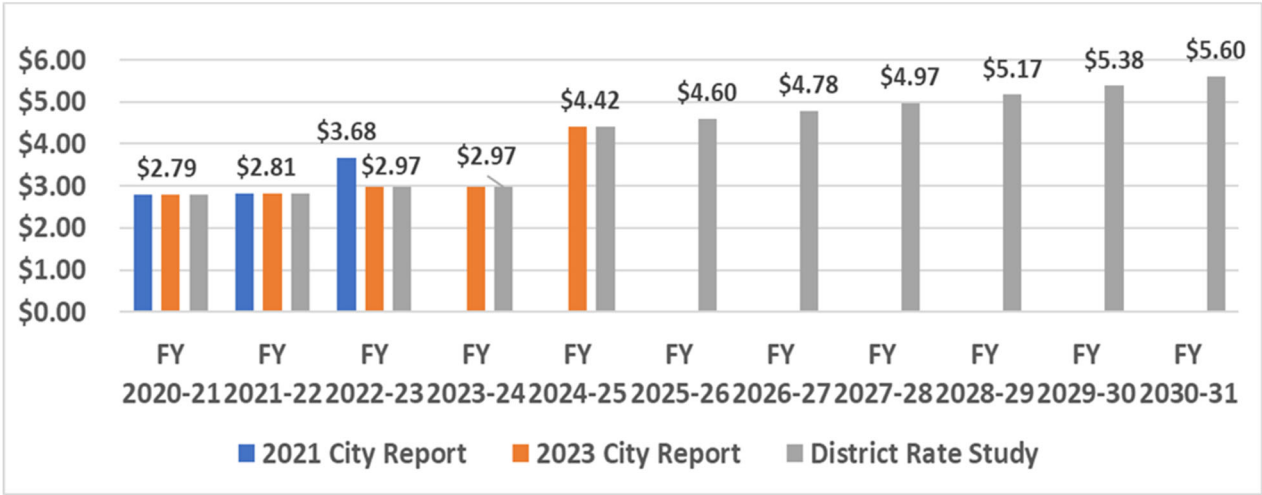
Raftelis recommends that the District maintain a cash reserve target equal to 25% of O&M expenses plus maintaining the existing policy of \$0.5M in minimum cash reserves as reserved for capital projects. The District should review cash reserve policies periodically and adjust reserve policies when warranted to mitigate the risk of unplanned operational contingencies, capital expenses, and potential fluctuations in volume sales revenue.

⁷ Existing District loan covenants establish debt service coverage requirements require a DSC requirement 1.10 times the maximum annual debt service of current debt service and debt proposed to be issued.

4.1. Financial Plan Results Under Different City Rates

Figure 4-1 summarizes the projected City water rate per 1,000 gallons included in this rate study report through FY 2030-31. Also shown are the actual City treated water rates assessed to the District for the period of FY 2020-21 through FY 2023-24, projected rates for FY 2022-23 and FY 2023-24 that were part of a 2021 City of Billings rate study proposal, and projected rates for FY 2023-24 and FY 2024-25 that were part of a 2023 City rate study proposal.

Figure 4-1: Actual and Projected City Water Rate per 1,000 Gallons



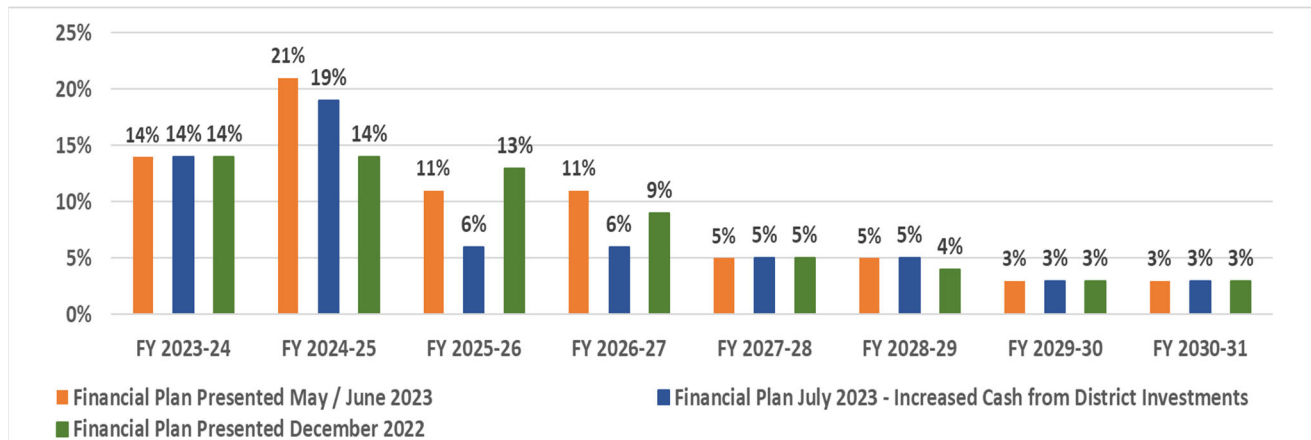
The projected annual water rate revenue increases within this study reflect a proposed 48.8% increase in the City’s treated water rate increasing the current \$2.97 per 1,000 gallons to \$4.42 per 1,000 gallons to assessed to the District effective July 1, 2024. After the City’s public hearing and adoption of the proposed FY 2023-24 and FY 2024-25 rates from the City’s 2023 rate report, the City informed the District that they are reviewing previously adopted FY 2024-25 District water rates and will be modifying the proposed rates. The City would like the District’s input and involvement with the rate review, but it’s unclear as of July 2023 what the results of the rate update may be, so the multi-year rate recommendations maintain the City adopted rates increasing 48.8% effective July 1, 2024 until the District has updated information. If the City’s rate adjustments are lower than previously adopted, which seems likely, the District can update the multi-year financial plan and projected rates starting in FY 2024-25 and/or adjust the anticipated external debt issuances over the multi-year financial planning period sufficient to exceed financial planning thresholds.

Figure 4-2 summarizes proposed water rate revenue increases during the Study Period that are necessary to fund annual expenditures and meet financial performance criteria. Following the presentations of the proposed multi-year financial plan in May and June 2023, Raftelis and the District identified \$6.3 million in District investment that had not been incorporated into the multi-year financial plan. When including these investments⁸, the financial plan was updated with reductions to projected debt issuances and lower overall

⁸ The District’s has funds invested within various Certificates of Deposits with varying maturity dates in 2023 through 2026.

annual rate revenue increases through the Study period as shown in Figure 4-2. The proposed FY 2023-24 was not modified with changes starting in FY 2024-25.

Figure 4-2: Projected Annual Water Rate Revenue Increases



Water rate increases are anticipated to be effective August 1st of each fiscal year adjusting revenues for 11-months of the 12-month fiscal year.

If system revenues are not adequate to fund annual expenditures and exceed financial performance requirements, the following four variables are used to balance the financial plan:

- » Draw down accumulated reserves to fund annual expenditures until funds are depleted.
- » Issue debt to fund a portion of annual capital improvements.
- » Increase user charges.
- » Delay and defer annual capital improvements.

While rate revenue increases are currently projected annually over the Study Period, adjustments may be necessary depending on future CIP expenditures, system growth, water use patterns, inflation, and regulatory requirements. At a minimum, annual reviews as part of the budget process should be used to periodically assess the condition of the water and sewer funds to determine the necessity of future rate revenue adjustments. A comprehensive update is recommended every three to five years unless a major event dictates more frequent updates.

4.2. Financial Plan Results Under Proposed Rates

The proposed water rate revenue increases during the Study Period are necessary to fund annual expenditures as projected annually and detailed in Appendix A and to meet financial performance criteria. The proposed FY 2023-24 water rates, which are based on a 14.0% overall rate revenue adjustment, are detailed in Section 6 of this report. It should be noted that these increases do not necessarily equate to the overall rate revenue increases for a specific customer class or individual customer.

Figure 4-3 shows the end-of-fiscal year cash balance and reserves for the water fund. The cash reserve targets are exceeded each year of the Study Period when including the approximate \$6.3 million in District invested funds.

Figure 4-3: Projected Total Water Fund End-of-Year Cash Balances and Reserve Targets

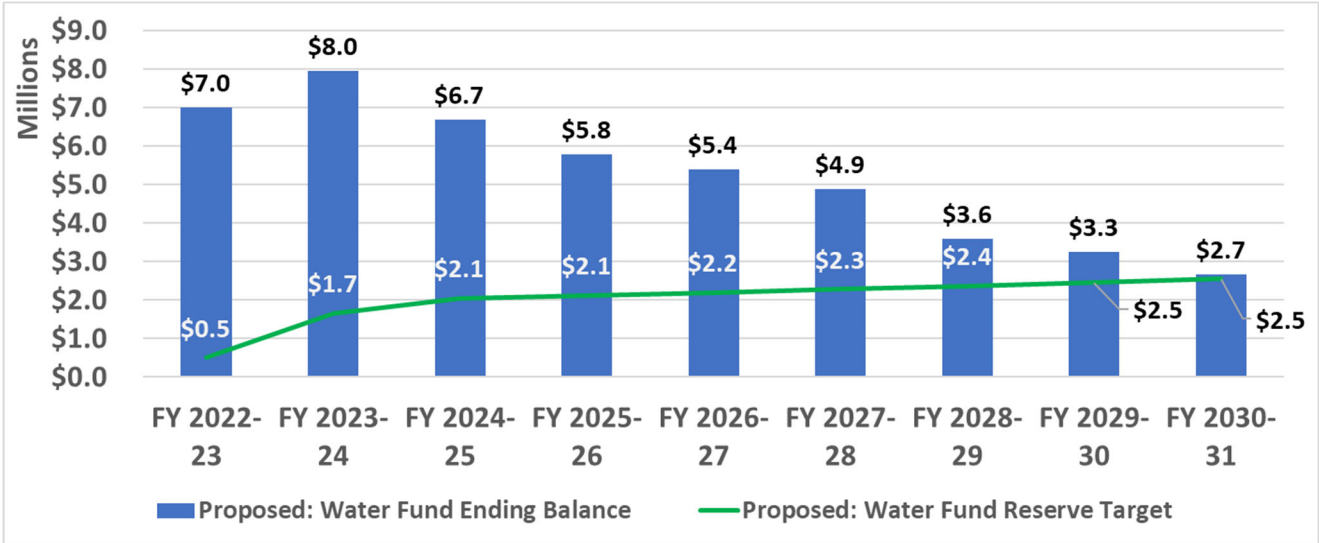
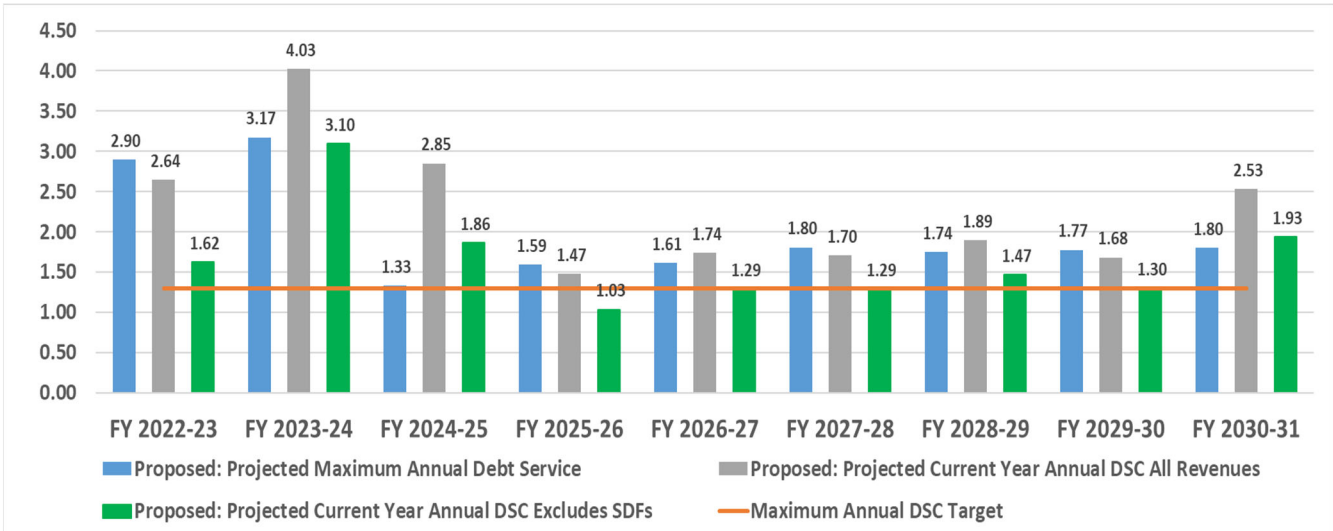


Figure 4-4 shows the projected maximum annual debt service and the target maximum annual DSC ratio requirement for rate setting. Also shown are annual DSC including all revenues and the same measure excluding one-time SDFs for each year of the Study Period. Annual DSC including SDF revenues is above target and minimum legal requirements while maximum annual DSC just above the target in FY 2024-25 and above the target all other years of the Study Period. The annual DSC excluding SDF revenues is just under or above the minimum DSC of 1.30 in all years of the Study Period except FY 2025-26.

Figure 4-4: Projected Maximum Annual and Annual DSC Results



4.2.1.1. Total Water Fund

All water fund revenues and expenditures are summarized on page A-1. For financial planning purposes, Raftelis developed two different subfunds within the water fund: an operations subfund and a capital improvement subfund as previously discussed.

A total water fund balance of approximately \$6.93 million was available as of July 1, 2022, including a cash reserve minimum of \$0.50 million, leaving \$6.43 million as unrestricted cash although much of this amount is invested by the District in CDs and is not readily available. Raftelis proposes creating a new operating reserve effective in FY 2023-24 equal 90-days of annual O&M expenses as previously discussed. The combined operating and capital reserve increases as O&M increases annually with end-of-year cash balances projected to be above the reserve target annually throughout the Study Period.

4.2.1.2. Revenues

Water user charge revenues starting in FY 2022-23 were projected by Raftelis using detailed historic billing data from FY 2019-20 and FY 2020-21, adjusted for growth. Projections for the remainder of the study period are adjusted based on customer growth and developed in a variety of worksheets included in pages A-14 through A-23 as summarized in total on page A-5.

Water user charge revenue is projected to be \$4.84 million in FY 2022-23, \$5.53 million in FY 2023-24 and is projected to increase to \$9.49 million by FY 2030-31 reflecting customer growth and projected annual rate revenue increases summarized in Figure 4-1 under the July 2023 plan. Proposed water rates for FY 2023-24 are discussed in Section 6 with subsequent fiscal year revenue projections based on across-the-board rate revenue increases effective for 11-months of the 12-month fiscal year.

The forecasted SDF receipts reflect the customer account growth assumptions previously discussed. Customers previously pre-paid capital recovery fees based on previous District policies will not be assessed SDFs and SDF revenues reflect 50% of the new connections being assessed SDFs⁹. The District will also assess a connection fee to recover the costs of the meter which increases by meter size and District staff personnel costs associated with the installation and inspection of the meter and service line connection. Proposed water SDFs are discussed in greater detail in Section 7 of this report. SDF revenue is projected to range from \$0.25 million in FY 2023-24 to \$0.35 million in FY 2030-31 incorporating proposed changes to SDFs effective August 1, 2023 and adjusted annually for inflation. Absent SDF revenues, user charge revenues would need to be higher than is projected.

The District has historically assessed separate Annexation / Buy-in Fee and System Development Fees. The Annexation / Buy-In Fee is assessed per acre for residential customers and per square foot for non-residential customers while the System Development Fee is assessed by meter size. Raftelis proposes that the District eliminate both one-time fees and replace them with the proposed SDF, Connection Fee, and administrative Annexation Fee.

⁹ Developments that previously paid the annexation fee will receive a credit of \$2,500 per ¼-acre developed if the annexation fee was paid per acre or \$0.058 per square foot if the annexation fee was paid per square foot.

The financial plan includes Annexation Fee/ Buy-in Fee revenue projected for FY 2022-23 of \$0.19 million falling to \$0 following the discontinuance of the fee effective August 1, 2023. New developments subject to annexation will be required to extend water lines to their development and dedicate the facilities to the District upon completion as a condition of the Annexation consistent with current District requirements. The new administrative Annexation Fee will be assessed for the District staff time and expenses associated with annexation processes, including filing with the County and the estimated District staff time and expenses associated with this activity and included in the ancillary and non-rate revenues proposed to be effective August 1, 2023.

The water fund has other miscellaneous fee and charge revenues from the following fees:

- Private fire line standby monthly charges
- Flushing / Testing
- Hydrant
- Turn on / turn off
- Establishing service
- Service line repair
- Install / inspection
- Plan review
- Tapping
- Annexation fee (new administrative process fee)
- Frozen meter

Combined miscellaneous revenues, which excludes interest and investment income, averages \$122,000 in FY 2023-24 per year adjusted for 2.0% inflation throughout the Study Period. The water fund miscellaneous revenues are listed in detail on page A-24.

The District also earns interest income based on cash balances invested in a variety of interest earning financial instruments. Interest earnings are projected based on the start of year cash balance and an interest earnings rate of 2.0% in FY 2023-24 declining to 1.5% in FY 2024-25, and then to 1.0% in FY 2025-26 through the balance of the Study Period.

4.2.1.3. Operations and Maintenance

Page A-8 summarizes projected utility O&M expenditures over the Study Period. Projected O&M expenditures are based on the District's line-item FY 2022-23 budget of \$4.48 million and adjusted for anticipated cost increases and District cost inflation and increases to the City's water rate. The annual O&M expenses FY 2023-24 are projected to be \$4.65 million, increasing to \$6.20 million in FY 2024-25 and to \$8.20 million by FY 2030-31.

The following annual cost inflations are assumed for O&M expense categories over the Study Period.

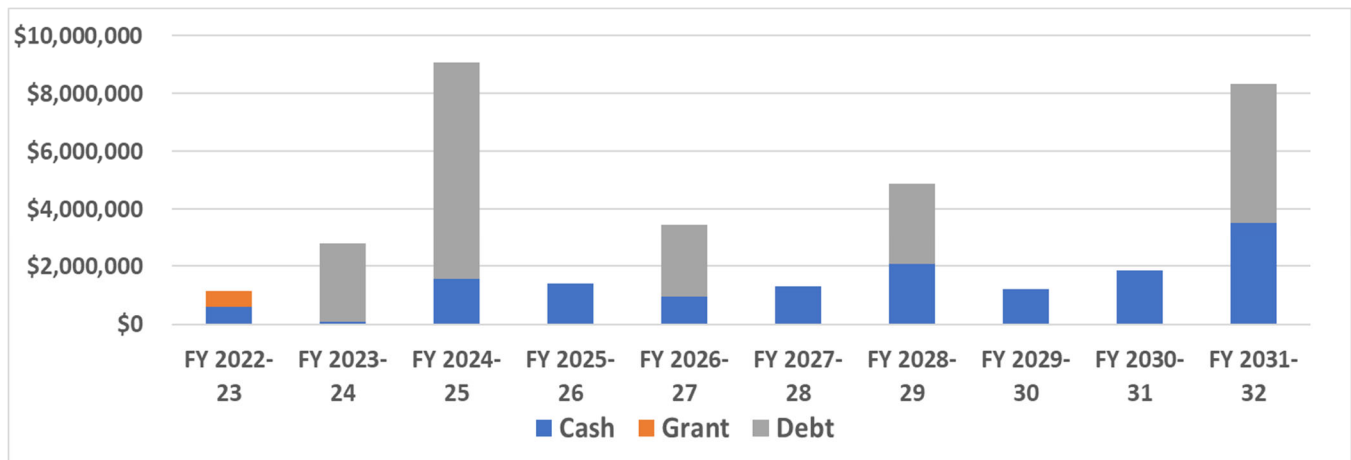
- » City treatment water rate increases:
 - FY 2023-24 of 0.0%.
 - FY 2024-25 of 48.8%.
 - FY 2025-26 through FY 2030-31 of 4.0% per fiscal year.

- » District O&M of 4.0% in FY 2023-24 through FY 2030-31 following increases in FY 2022-23.

4.2.1.4. Capital Improvement Projects

The financial plan and capital funding incorporate the inflated CIP amounts based on the anticipated timing of the projects and an assumed capital inflation rate of 7.0% applied starting in FY 2023-24 and FY 2024-25 and decreasing to 3.0% annual inflation starting FY 2025-26 through the balance of the Study Period. The CIP reflects the separate study completed by Interstate Engineering and prioritized capital improvements by fiscal year. Figure 4-5 shows the water capital projects from FY 2022-23 through FY 2031-32 totaling \$35.4 million comprised of \$20.3 million in projected new debt, \$0.5 million in grants, and \$14.6 million cash-funded CIP by year.

Figure 4-5: Water Capital Projects and Projected Capital Funding



Major CIP incorporate design in the first year and construction in the second year except for the Northwest Transmission Main which shows construction of two fiscal years. Major CIP or those with more than \$1.00 in total costs include the following individual projects:

- » Northwest Transmission Line of \$12.30 million in FY 2022-23 through FY 2024-25.
- » 4 Million Gallon Ox Bow Reservoir of \$7.80 million in FY 2030-31 through FY 2031-32.
- » Bitterroot Loop Access Under Highway 312 of \$4.10 million in FY 2027-28 through FY 2028-29.
- » Aging Watermain Program of \$3.34 million in FY 2027-28 through FY 2030-31
- » Bitterroot from Barrett to Mary of \$1.79 million in FY 2025-26 through FY 2026-27.
- » Reservoir Management System of \$1.38 million in FY 2024-25 through FY 2025-26.

The District should continue to pursue grant funding opportunities although the projected capital funding is not reliant upon grants that have not been awarded limiting it to a FY 2022-23 of \$535,000 awarded to the District.

4.2.1.5. Debt and Debt Service

The District has three existing debt obligations all issued through the Montana Water Revolving Fund (WRF) loan program. These debt obligations include:

- » WRF loan 11238R to be retired in 2031.
- » WRF loan Bond C to be retired in 2036.
- » Oxbow WRF loan 17389 to be retired in 2038.

Five additional debt issues are projected in FY 2023-24 through FY 2031-32 as summarized below.

- » FY 2023-24 of \$2.70 million.
- » FY 2024-25 of \$7.50 million.
- » FY 2026-27 of \$2.50 million.
- » FY 2028-29 of \$2.80 million.
- » FY 2031-32 of \$4.80 million.

Projected debt is assumed at a 30-year term. Issuance costs of 1.5% of the total loan and a debt service reserve equal to one annual debt service payment funded from cash reserves to conservatively fund these requirements and not included within the amount of the debt issuance. Interest rates assume 2.5% in FY 2023-24 and FY 204-25 increasing to an interest rate of 5.0% for FY 2026-27, FY 2028-29, and FY 2031-32 loans.

5. Cost-of-Service Analysis

Raftelis completed a cost-of-service analysis for a FY 2023-24 test-year to identify customer base, and extra capacity costs. Detailed calculations are presented in Appendix B.

5.1. Overview of the Water Cost-of-Service Process

The purpose of a cost-of-service study is to allocate the water utility revenue requirement to each customer class in direct proportion to the demands they impose on the utility system. To accomplish this objective, Raftelis conducted a detailed analysis of customer water consumption characteristics and engaged in a multi-step cost allocation process. The procedures followed by Raftelis were based on the industry standard "base-extra capacity method" of cost allocations as published by the American Water Works Association in the Seventh Edition of the Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges.

The primary steps in the water cost-of-service study process include the following which essentially functionalize, allocate and distribute the defined or net revenue requirements of the water utility:

- » **Costs and Demand:** Determining the test-year revenue requirement and forecast billed water consumption.
- » **Cost Functionalization:** Functionalizing the O&M, capital, and non-rate revenue components of the revenue requirement. This process results in the assignment of costs to the specific water utility functional activities they are incurred to perform.
- » **Cost Allocation:** Allocating the functionalized O&M, capital, and non-rate revenue components of the revenue requirement to specific cost parameters such as base demand, maximum day demand, and maximum hour demand. This process results in the assignment of costs to the specific types of water service they are incurred to serve.
- » **Units of Service:** Determining the customer class units of service for each cost parameter based on metrics such as annual average day billed usage, maximum day and maximum hour extra capacity demand, the number of equivalent meters, and annual number of water bills.
- » **Unit Cost-of-Service:** Determining the utility-wide unit cost-of-service for each cost parameter. The unit cost-of-service is determined by dividing the revenue requirement assigned to each cost parameter by its associated utility-wide units of service.
- » **Customer Class Revenue Requirements:** Distributing the total revenue requirement by multiplying the customer class specific units of service for each cost parameter by the associated utility-wide unit cost-of-service.

5.2. FY 2023-24 Revenue Requirement

The FY 2023-24 financial plan revenue requirement of \$5.19 million consists of \$4.65 million in O&M expenses and \$0.54 million in capital costs. These costs are increased by \$0.39 to \$5.58 reflecting a reduction of \$0.29 in non-rate revenues and increase of \$0.69 due to an increase in cash reserves. as summarized in Table 5-1 and detailed on page C-1 .

Table 5-1: Water Fund Revenue Requirements

Description	FY 2023-24 Cost-of- Service
O&M Expenses	\$4.65 M
Capital Costs	0.54 M
Other Cash (Inflows) / Outflows	(0.30 M)
Increase (Decrease) in Cash Reserves	<u>0.69 M</u>
Water User Charge Revenues	\$5.58 M

Water user charge revenues of \$5.58 million are incorporated within the rate development as the amount to be generated for the FY 2023-24 test year if user charges were in place for the full 12-months of the fiscal year.

5.3. Customer Class Peaking Factors

A water utility system cannot be designed, constructed, or operated merely to meet the average daily demands imposed by customers. Instead, it must be designed, constructed, and operated to meet total system maximum day and maximum hour peak demands imposed by customers. These peak demands occur on a single day or for a single hour each year and are significantly greater than typical average day demands. The maximum day to average day demand peaking factor of 2.40 and a maximum hour to average day demand peaking factor of 3.84 are higher than actual results to incorporate some design contingency for planning. This was reviewed with District and Interstate staff and was deemed reasonable.

The approach used by Raftelis to estimate customer maximum day and maximum hour peaking factors is like that described in Appendix A of the AWWA Manual M1. Raftelis utilized FY 2019-20 through FY 2020-21 detailed customer billing data, adjusted as previously discussed, and the results of this process are shown in Figures 5-1 and 5-2. Actual maximum month to average month peaking factors over the 24-month period were 2.35 times the average month water demand. These estimated peaking factors were used by Raftelis to establish the maximum day and maximum hour extra capacity units of service for each customer class as used in the cost-of-service study analysis. These extra capacity units of service are a key driver of the allocation of the revenue requirement for each customer class.

Figure 5-1: Customer Class Maximum Day Peaking Factors

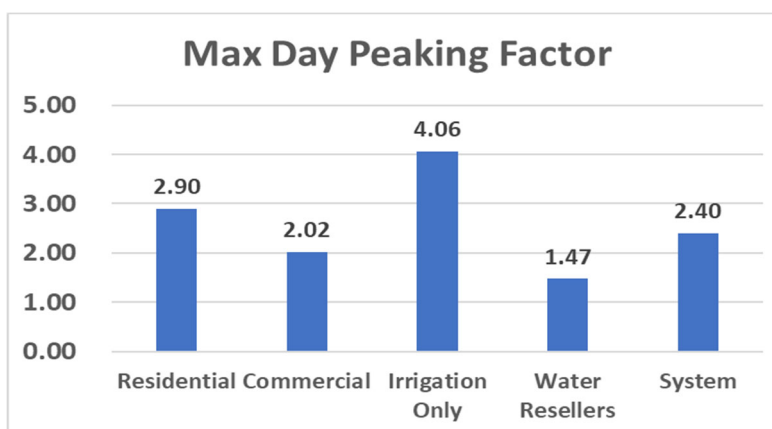
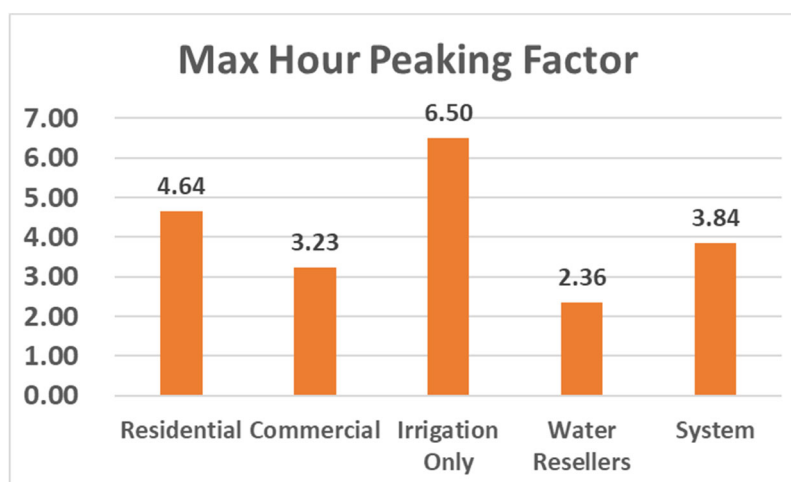


Figure 5-2: Customer Class Maximum Hour Peaking Factors



Due to the peak demands they impose on a water utility system, customer classes that have higher maximum day and maximum hour peaking factors generally make a large proportional contribution to the coincident peak demands experienced by a utility, i.e., place greater summer season demands on the system. As a result, through the cost-of-service process, they are allocated a larger proportional share of the water utility revenue requirement.

5.4. Cost of Service Study Results

The goal of a cost-of-service study is to implement user charges that equitably recover the cost of providing service to each customer class. Thus, the critical question the cost-of-service study process attempts to answer is: do the user charge revenues collected from each customer class under existing rate structures correspond to the cost of providing service? If the answer to this question is no, it indicates that one or more customer classes are not making a fair and equitable contribution to the utility's overall revenue recovery and subsidizing other customer classes.

Customer classes include additional separated customer groupings of customers that were evaluated (e.g., irrigation-only) separately for the cost-of-service analysis. Some of these customer groups were consolidated for the purpose of rate setting.

As shown in Table 5-2, the projected FY 2023-24 user charge revenue recovery for each water customer class does not match the calculated FY 2023-24 cost-of-service. Specifically, residential, and irrigation-only customers are paying too little and commercial customers are paying too much relative to the indicated cost-of-service. The District's rate structure includes system-wide water volume rates irrespective of customer class and meter size and was not established based on different customer classes. The result is more usage and revenue from larger water users on average compared to residential customers. Residential and irrigation-only customers as customer classes exhibit higher peak period use to average month usage patterns as compared to the commercial customer class.

Table 5-2 shows the results of the FY 2023-24 cost-of-service analysis aggregating the classes into their respective current rate structure designations.

Table 5-2: FY 2023-24 Cost-of-Service Results

Customer Class	Cost-of-Service	Revenue Under Existing Rates	Difference Revenue (\$)	Difference in Revenue (%)
Residential	\$4.06 M	\$2.99 M	\$1.07 M	36.1%
Commercial	1.15 M	1.54 M	(0.39) M	(25.3%)
Water Retailers	0.09 M	0.15 M	(0.06) M	(43.2%)
Irrigation-Only	<u>0.29 M</u>	<u>0.22 M</u>	<u>0.07 M</u>	28.5%
Total	\$5.59 M	4.90 M	\$0.69 M	14.0%

6. Rate Design

The water user charge design process allows utility governing bodies to determine how they wish to recover the cost-of-service study-derived revenue requirement from rates from each customer class. Generally, utility governing bodies have significant discretion to achieve specific financial, water conservation or public policy objectives via the water rate design process. Raftelis and District staff reviewed various rate design alternatives that achieve the required revenue requirement for the water utility.

Raftelis developed two rate alternatives for the FY 2023-24 test-year that were “revenue-neutral”, meaning the same level of revenue as calculated in the financial plan is projected to be generated under each alternative. These alternatives were presented to the District Board in December 2022.

Following the December 2022 presentation, Raftelis worked with District staff to update the proposed FY 2023-24 rates to reflect feedback and adjustments resulting in a single alternative FY 2023-24 rates. The following recommendations are integrated within the proposed rates:

- » Eliminate the minimum water allowance within the fixed monthly service charge.
- » Charge at least as much per 1,000 gallons as the City charges the District for treated water.
- » Separate Residential, Commercial, and Irrigation-only Customers into separate classes rate setting and cost recovery.
- » Improve customer class cost of service recovery amongst the established classes.
- » Update Ancillary and non-rate charges and fees to fully recover the costs of District services.

6.1. Existing Rates

The existing water rate structure includes a base charge that increases by meter size and a service line repair fee that is the same for all meter sizes applicable to all customer classes and system-wide tiered volumetric charges. Tables 6-1 and 6-2 detail the District’s current rates.

Table 6-1: Current Base Charge and Service Line Repair Fee

Meter Size	Current Base Charge	Service Line Repair Fee	Total
¾-inch and less	\$20.74	\$1.30	\$22.04
1-inch	22.30	1.30	23.60
1 ½-inch	24.39	1.30	25.69
2-inch	30.17	1.30	31.47
3-inch	72.73	1.30	74.03
4-inch	88.35	1.30	89.65
6-inch	143.42	1.30	144.72
8-inch	166.93	1.30	168.23

Table 6-2: Current Volume Water Rates

Customer Class	Description	Water Allocation	Rate per 1,000 gal.
All	Tier 1	0 – 3,300	\$0.00
All	Tier 2	3,301 – 20,000	4.48
All	Tier 3	20,001 – 50,000	5.38
All	Tier 4	Over 50,000	6.48

6.2. Proposed FY 2023-24 Rates

The proposed rates maintain the existing monthly base rates increasing by meter size and include different volumetric rate by customer classes for Residential, Commercial, and Irrigation-Only which transition closer to customer class cost of service while increasing overall user charges by 14.0%.

The proposed rates achieve system-wide cost-of-service rates in FY 2023-24 and improve customer class cost-of-service recovery for each customer class and future rate adjustments will be necessary to achieve full customer class cost-of-service recovery. Appendix D includes more detailed information related to the proposed FY 2023-24 rates. Table 6-3 presents the current water rates compared to the proposed monthly service charge increasing by meter size.

Table 6-3: Current and Proposed FY 2023-24 Water Base Charges

Meter Size	Current (1)	Proposed (1)
¾-inch and less	\$22.04	\$22.30
1-inch	23.60	30.70
1 ½-inch	25.69	53.80
2-inch	31.47	81.10
3-inch	74.03	154.60
4-inch	89.65	154.60
6-inch	144.72	467.50
8-inch	168.23	742.60
(1) Includes service line repair fee of \$1.30 per month.		

Table 6-4 presents the current water rates compared to the proposed monthly service charge increasing by meter size. Residential customers are proposed to have a 4-tier inclining block rate structure. Commercial and irrigation-only customers are proposed to have uniform volume rate per 1,000 gallons of water use.

Table 6-4: Proposed Volume Water Rates

Customer Class	Description	Water Allocation	Rate per 1,000 gal.
Residential	Tier 1	0 – 4,000	\$3.38
Residential	Tier 2	4,001 – 15,000	5.07
Residential	Tier 3	15,001 – 40,000	7.61
Residential	Tier 4	Over 40,000	10.13
Non-Residential	Uniform	All Use	4.24
Water Retailers	Uniform	All Use	4.24
Irrigation-Only	Uniform	All Use	7.00

Table 6-5 shows the results of the FY 2023-24 cost-of-service analysis compared to revenue under the proposed rates by customer class.

Table 6-5: FY 2023-24 Cost-of-Service Results

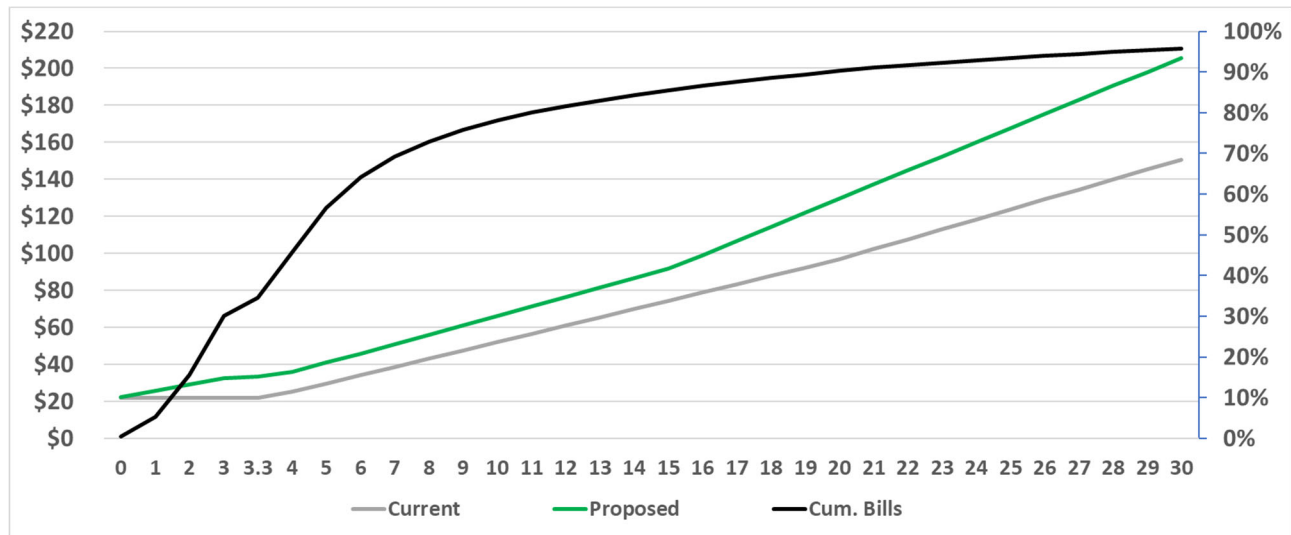
Customer Class	Cost-of-Service	Revenue Under Proposed Rates	Difference Revenue (\$)	Difference in Revenue (%)
Residential	\$4.06 M	\$3.97 M	\$0.09 M	2.4%
Non-Residential	1.15 M	1.33 M	(0.18) M	(15.4%)
Water Retailers	0.09 M	0.11 M	(0.02) M	(27.6%)
Irrigation-Only	<u>0.29 M</u>	<u>0.29 M</u>	<u>0.00 M</u>	(2.0%)
Total	\$5.59 M	\$5.70 M	\$0.11 M	2.0%

The proposed rates are designed to recover customer class cost of service results for irrigation-only customers while significantly reducing the subsidy provided by commercial customers to residential customers as a class. The District may wish to continue to reduce the subsidy between Residential and Commercial customer classifications as part of future rate evaluations. Proposed rates generate an approximate \$110,000 or 2.0% more in revenue beyond the FY 2023-24 test-year cost-of-service as the rates were intended to incorporate revenues recovered through a separate \$1.30 per month service line repair fee.

6.3. Customer Monthly Bill Comparisons

Figure 6-1 summarizes residential customer with a ¾-inch meter size and less monthly under current and proposed monthly charges and volume rates for each 1,000 gallon increment. The additional line on the second axis tracks the cumulative number of monthly bills for the same customers as water use increases.

Figure 6-1: Typical Monthly Water Residential Bill Impact



Figures 6-2, 6-3, 6-4, and 6-5 shows residential $\frac{3}{4}$ -inch meter size and less monthly bills under current and proposed monthly charges and volume rates at:

- 4,000 gallons (winter bill)
- 10,000 gallons (average annual bill)
- 15,000 gallons (summer bill)
- 30,000 gallons (higher summer bill)

Figure 6-2: Monthly Water Residential Bill Impact – $\frac{3}{4}$ -Inch Meter, 4,000 Gallons

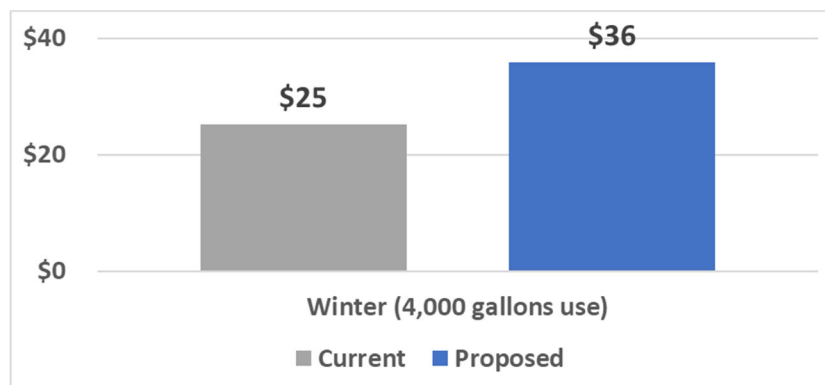


Figure 6-3: Monthly Water Residential Bill Impact – ¾-Inch Meter, 10,000 Gallons

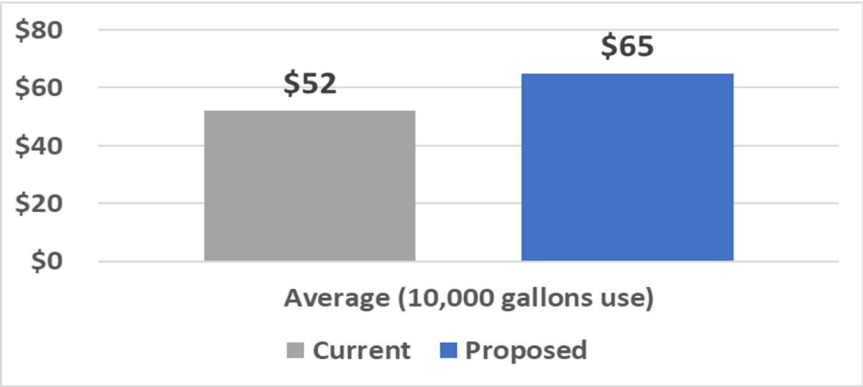


Figure 6-4: Monthly Water Residential Bill Impact – ¾-Inch Meter and 15,000 Gallons

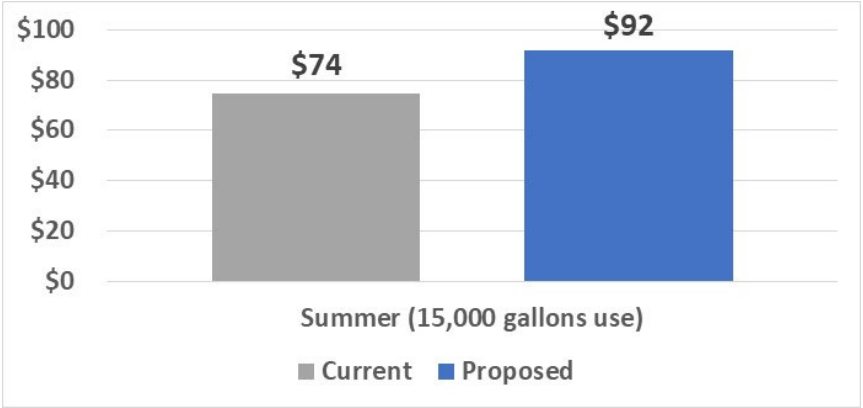
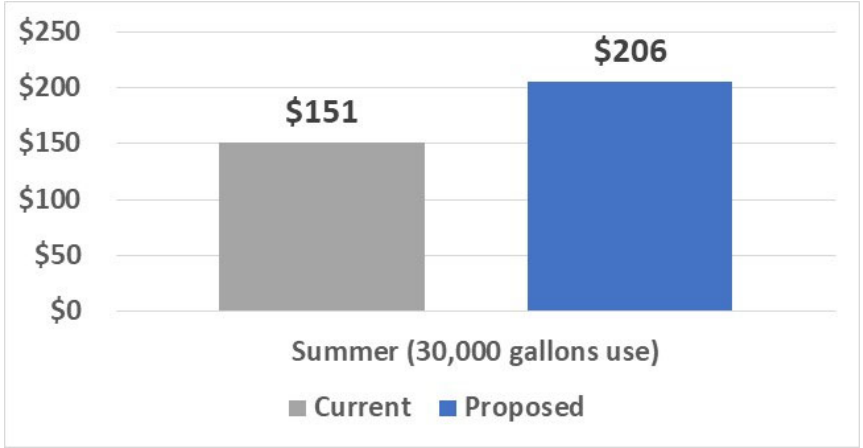


Figure 6-5: Monthly Water Residential Bill Impact – ¾-Inch Meter and 25,000 Gallons



Raftelis a survey of comparable water utilities compared to the District’s current and proposed monthly bills using rates effective July 1, 2023. Figure 6-6 shows the monthly bills for a ¾-inch water customer meter using 10,000 gallons for this survey group.

Figure 6-6: Residential Monthly Water Bill Survey

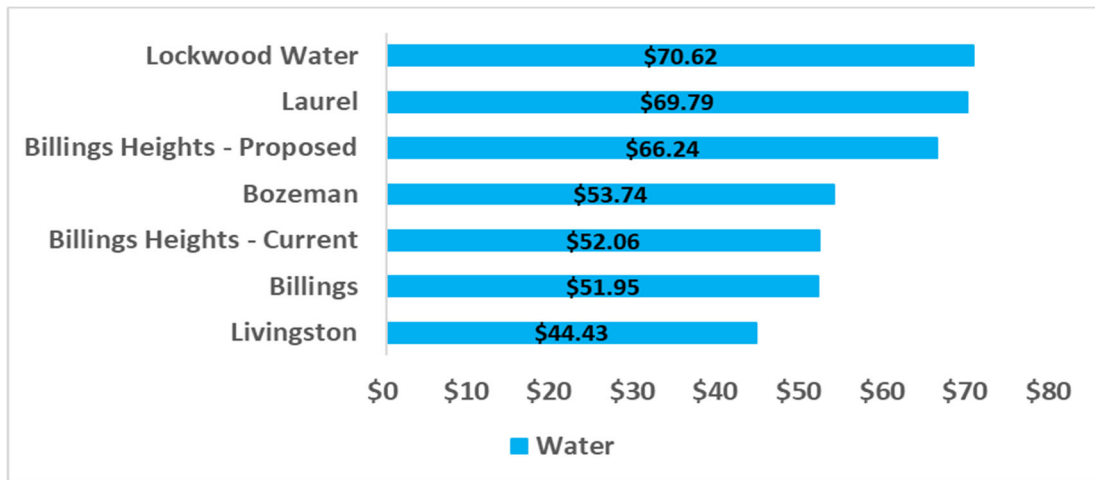
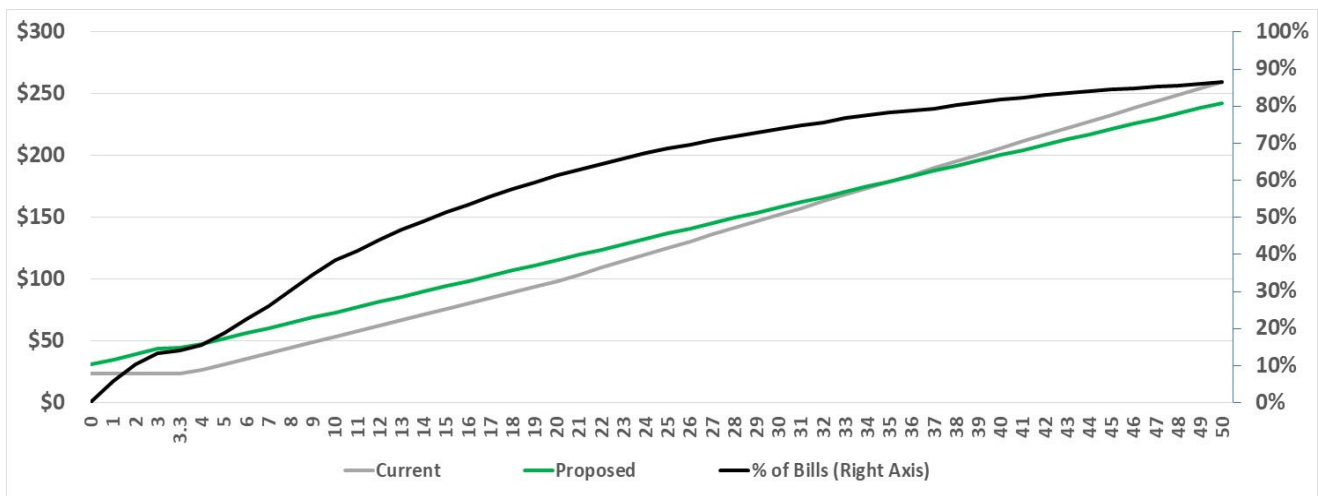


Figure 6-7 summarizes for commercial customers with a 1-inch meter size and less monthly under current and proposed monthly charges and volume rates for each 1,000 gallon increment. The additional line on the second axis tracks the cumulative number of monthly bills for the same customers as water use increases.

Figure 6-7: Monthly Commercial 1-inch Water Meter Customer Bill Comparison



Figures 6-8 and 6-9 show monthly bills for commercial 1-inch meter size under current and proposed monthly charges and volume rates at:

- 25,000 gallons (average monthly bill) and
- 50,000 gallons (higher usage bill)

Figure 6-8: Monthly Water Commercial Bill Impact – 1-Inch Meter and 25,000 Gallons

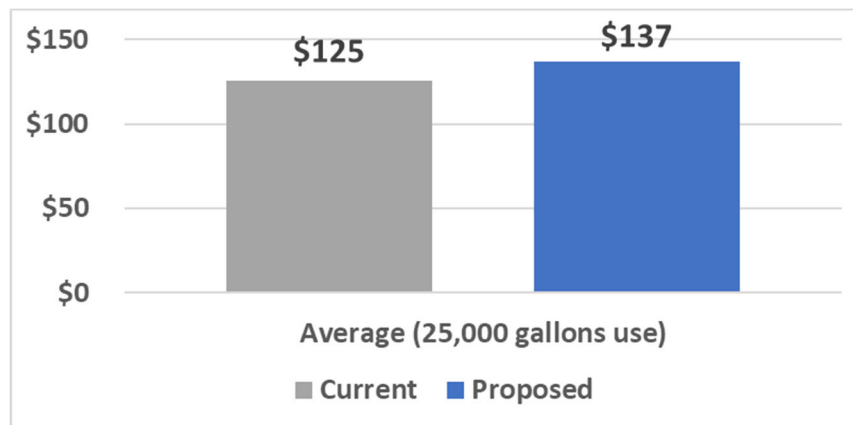
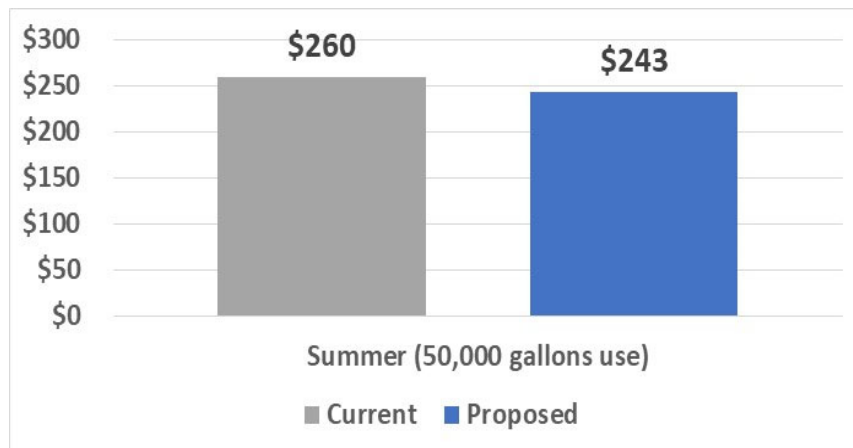


Figure 6-9: Monthly Water Commercial Bill Impact – 1-Inch Meter and 50,000 Gallons



Figures 6-10 and 6-11 show monthly bills for irrigation-only 1-inch meter size under current and proposed monthly charges and volume rates at:

- 50,000 gallons (average monthly bill)
- 100,000 gallons (higher usage bill)

Figure 6-10: Monthly Water Irrigation-Only Bill Impact – 1-Inch Meter and 50,000 Gallons

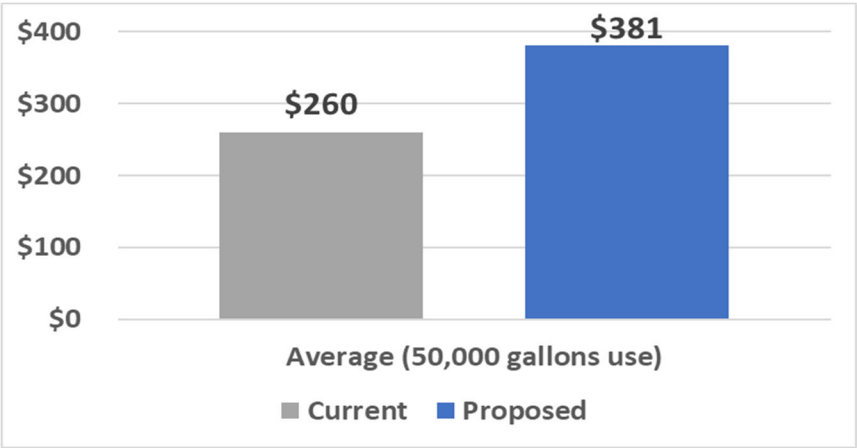
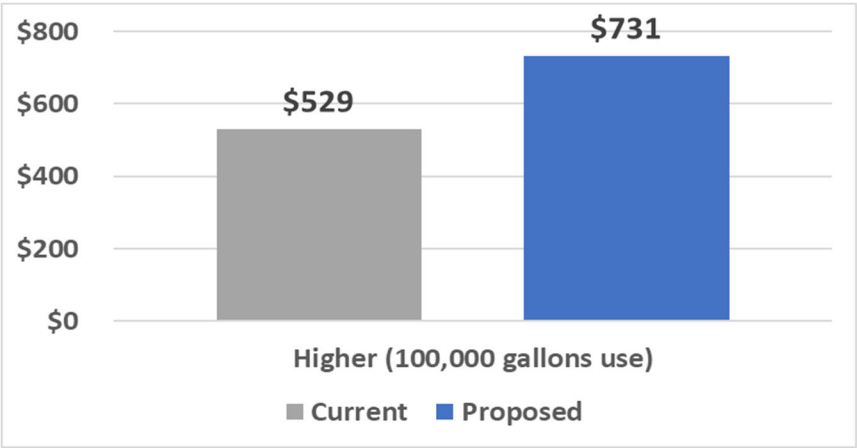


Figure 6-11: Monthly Water Irrigation-Only Bill Impact – 1-Inch Meter and 100,000 Gallons



7. SDFs

In growing communities such as the District, SDF receipts can provide a significant portion of required CIP funding and/or debt repayment of external debt financing providing upfront funding. As a result, the determination of SDFs and the projection of the future SDF receipts is a critical part of the financial planning process discussed in Section 4 of this Report.

SDFs are also referred to as system development charges, plant investment fees, SDFs, tap fees, and a variety of other terms. As described in the AWWA M1, these fees compensate a community for the cost of acquiring, constructing, and extending infrastructure to support new development:

"A system development charge (SDC) is a one-time charge paid by a new water system customer for system capacity. It is also assessed to existing customers requiring increased system capacity. The receipts from this charge are used to finance the development of capacity-related water facilities and are an important funding/financing source for growth-related or capacity-related water facilities."

There are several legal standards that define the design and application of SDFs. For example, SDFs cannot pay for O&M expenses but may fund capital and repay debt service obligations. There must also be a rational nexus between the SDFs paid by new development and the costs such fees are used to pay for. This means that SDF receipts are dedicated for infrastructure expansion required by new development. In addition, SDFs must be proportional to a new development's share of growth-related infrastructure costs.

7.1. Proposed SDFs

The District assesses separate a one-time service connection fee increasing by meter size and an Annexation / Buy-in fee per acre or per square foot. Table 7-1 details the service connection fee. Table 7-2 shows the Annexation / Buy-In fee assessment schedule.

Table 7-1: Current Service Connection Fee by Meter Size

Meter Size	Proposed
3/4-inch	\$1,830
1-inch	3,660
1 ½-inch	7,320
2-inch	11,714
4-inch	46,120
6-inch	146,411
8-inch	256,220

Table 7-2: Current Annexation Fee

Description	Fee	Assessment Basis
Assessment 1	\$10,148	Per Acre
Assessment 2	\$0.233	Per Square Foot

Raftelis proposes that the District:

- » Eliminate the Annexation / Buy-In and the Service Connection Fees and consolidate to a single capital recovery fee and implement:
 - SDFs increasing by meter size.
 - Establish a different Service Connection Fee which recovers the cost of the meter as well as District meter installation costs.
- » Index the SDF annually for inflation between more comprehensive updates.
- » Complete comprehensive SDF updates as dictated by the capital plan and/or system capacity for new development.
- » Update the adopted Service Connection Fee annually for changes in meter costs as well as District installation cost increases.
- » Implement a new administrative Annexation Fee to recover the District's incurred costs for administrative and procedural activities associated with processing the annexation.

Raftelis recommends the Incremental method as the basis for the unit cost of facilities benefiting new development. Raftelis evaluated each of all the three standard calculation methodologies, but the unit cost under the Incremental method best represents the cost of capacity benefiting new development. The District does not have a treatment plant or treatment infrastructure with treated water reservoirs limiting capacity to serve new developments. An expansion of the treated water storage reservoir is included in the medium term.

Table 7-3 summarizes the proposed water SDF increasing by meter size¹⁰. As the District assesses separate a one-time service connection fee increasing by meter size and an Annexation / Buy-in fee per acre or per square foot so a direct comparison between the current and proposed SDFs is difficult due to the differences in assessment.

Table 7-3: Proposed FY 2023-24 SDF by Meter Size

Meter Size	Proposed
3/4-inch	\$4,900
1-inch	8,167
1 ½-inch	16,333
2-inch	26,133
4-inch	52,267
6-inch	163,333
8-inch	261,333

¹⁰ Developments that previously paid the annexation fee will receive a credit of \$2,500 per ¼-acre developed if the annexation fee was paid per acre or \$0.058 per square foot if the annexation fee was paid per square foot.

7.2. Calculation Methodologies

The three primary industry accepted methodologies for calculating water SDFs are the Buy-In, Incremental Cost, and Hybrid or Combined approaches. Depending on the unique circumstances of the utility in question, the use of one or more of these approaches results in a conceptually defensible and fundamentally equitable method for recovering the cost of system capacity additions required to serve new development.

7.2.1. BUY-IN METHODOLOGY

The buy-in method is typically used by utility systems with existing available capacity to meet the long-term demands imposed by new development. This method estimates the value of a unit of system capacity based upon customer equity in existing capacity-related assets. Thus, the resulting SDF reflects the proportional cost of a new customer's share of existing system capacity. Under the buy-in method, the cost of existing capacity-related facilities is generally estimated based on current replacement cost.

7.2.2. INCREMENTAL COST METHODOLOGY

The incremental cost method focuses on the cost of the additional capacity-related assets required to serve new customers. The incremental cost method is most appropriate for utility systems that do not have existing available capacity to serve growth. The resulting SDF reflects the proportional cost of each new customer's share of future system capacity. As such, the incremental cost method is most appropriately used when a utility has a well-defined capital improvement program or utility master plan.

7.2.3. HYBRID METHODOLOGY

In addition to the Buy-in and Incremental methods, it is also common for many water utilities to use a combination of these two approaches. This combined "hybrid" approach is often used when a utility has some existing system capacity to accommodate growth but will also be required to construct additional new capacity in the future. For example, assume that a water utility has adequate treatment capacity to accommodate long-term demand growth but that it has a shortage of backbone transmission main and pumping capacity. In such a situation, it may be appropriate to utilize the equity buy-in method to calculate that portion of the SDFs associated with existing facilities and the incremental cost method to calculate that portion of the SDFs related to planned capacity additions.

7.2.4. STEPS IN THE WATER SDF CALCULATION PROCESS

Calculating an SDF requires a multi-step process which begins with the valuation of capacity-related facilities. The second step in the SDF calculation process is to determine the appropriate units of capacity to use in the calculation. In many cases, the fundamental unit of capacity is defined as single family residential maximum day or annual average day water demand. This is the approach used by Raftelis to calculate the District's SDFs.

The third step in the SDF calculation process is to determine the unit cost of capacity. This is achieved by dividing capacity-related costs by the appropriate units of capacity. Finally, an assessment schedule is developed to reflect the demand relationships between various types of customers, land uses and meter sizes. Table 7-4 summarizes these steps for each SDF calculation methodology.

Table 7-4: Steps in the Water SDF Calculation Process

Step	Buy-In	Incremental Cost	Hybrid
#1: Asset Valuation	Estimate value of existing assets	Estimate value of future growth-related asset additions	Estimate value of existing assets and future growth-related asset additions
#2: Units of Capacity	Determine units of existing capacity	Estimate future capacity unit additions	Determine existing units of capacity and future capacity unit additions
#3: Unit Cost of Capacity	Calculate unit cost of existing capacity	Calculate unit cost of incremental capacity additions	Calculate unit cost of combined existing and future capacity additions
#4: Assessment Schedule	Determine the SDF assessment schedule		

7.3. SDF Calculation

Raftelis calculated maximum supportable water SDFs per $\frac{3}{4}$ -inch water meter equivalent or ERU. Table 7-5 summarizes the maximum supportable water SDF of \$4,579 per ERU.

Table 7-5: Maximum Supportable Water SDF Calculation

Description	Calculation
Growth-Related Capital	\$20.04 M
Net Present Value of Future Interest	4.33 M
Total for SDF Calculation	\$24.37 M
Total for SDF Calculation	\$24.37 M
Treatment Capacity – Gallons per Day	<u>3,000,000</u>
Unit Cost of Capacity - \$ / gal.	\$8.12
Unit Cost of Capacity - \$ / gal.	\$ 8.12
Peak Day Design Capacity – gal / ERU	<u>X 560</u>
SDF per ERU	\$4,550

The District has anticipated expansionary water capital improvements of \$20.04 million through FY 2031-32 in addition to available capacity within existing water infrastructure. District and Interstate team members developed the multi-year CIP and prioritized capital improvements. The following project comprise the growth-related and SDF eligible capital improvements:

- » Northwest Transmission Line - 90% expansionary with \$9.90 million.
- » 4 Million Gallon Ox Bow Reservoir - 100% expansionary with \$5.50 million.
- » Bitterroot Loop Access Under Highway - 80% expansionary with \$2.56 million.
- » Portions of other prioritized capital improvements comprise the balance of \$2.08 million.

NPV of interest totaling \$4.49 million is included in the SDF calculation. The NPV of interest incorporates the growth-related portion of the five future debt issuances. Table 7-6 summarizes the elements.

Table 7-6: Projected Debt and Growth Portion of NPV Interest

Series	Debt Issue Amount	NPV of Interest	% Growth	Growth Portion of NPV Interest
2024	\$10.20 M	\$3.24 M	90%	\$2.91 M
FY 2026-27	2.50 M	0.48 M	50%	0.24 M
FY 2028-29	2.80 M	0.48 M	80%	0.39 M
FY 2031-32	5.30 M	0.79 M	100%	0.79 M

Figure 7-1 shows a SDF comparison of the current and proposed District one-time capital recovery fees against those similar one-time time fees assessed to nearby and regional water utilities for a residential $\frac{3}{4}$ -inch meter connection¹¹. These are as of July 1, 2023 and include changes to one-time capital recovery fees as of July 1, 2023, including implementation of a different structure for the City for residential developments.

Figure 7-1: Residential $\frac{3}{4}$ -inch Meter SDF Survey Comparison

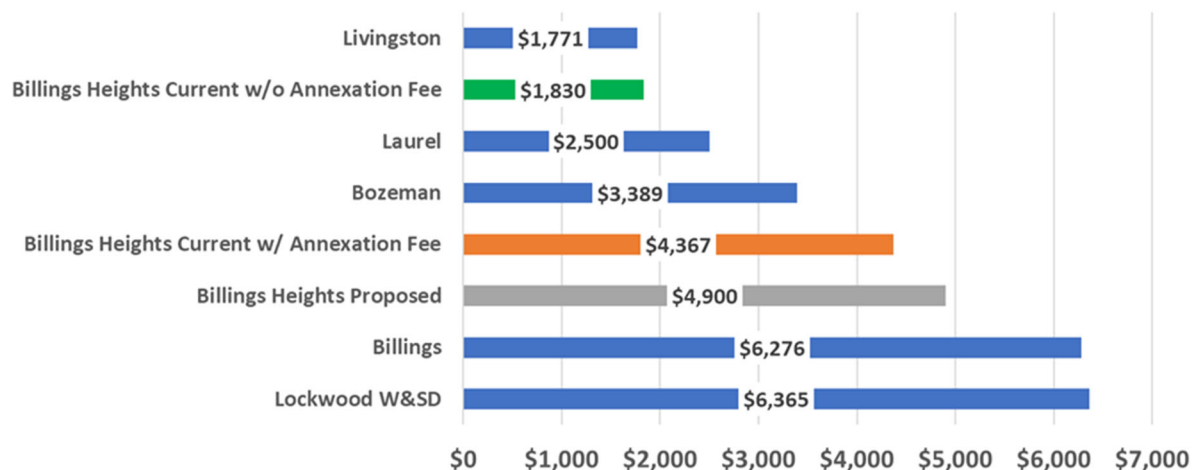
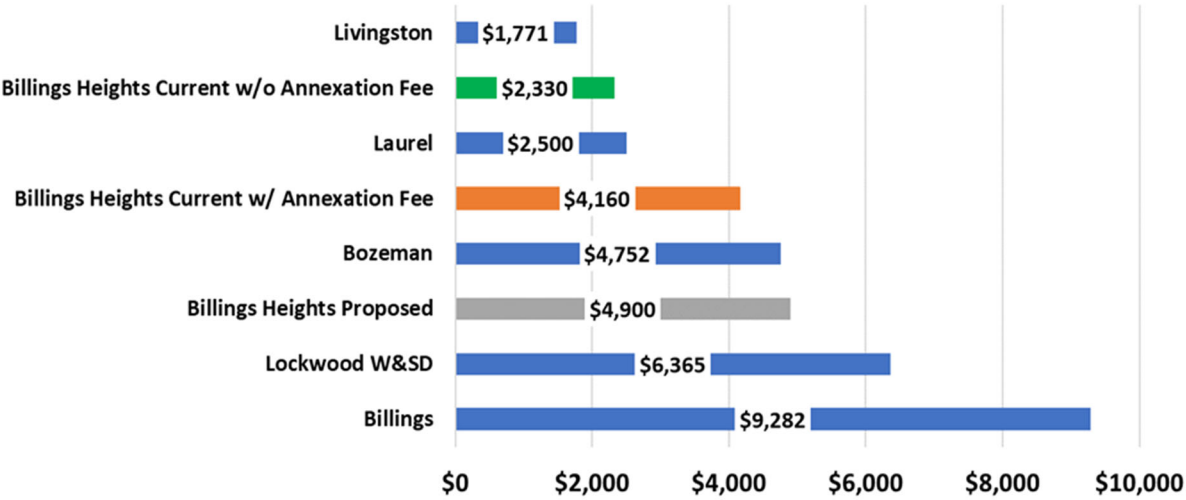


Figure 7-2 shows a Similar comparison for commercial $\frac{3}{4}$ -inch SDFs for the same water utilities¹².

¹¹ For purposes of the survey, a residential connection is assumed to require a $\frac{3}{4}$ -inch water meter, 0.25 acre lot, 2,000 square foot developed structure with 3 bedrooms.

¹² For purposes of the survey, a commercial connection is assumed to require a $\frac{3}{4}$ -inch water meter and develop a 10,000 square foot developed structure.

Figure 7-2: Commercial 3/4-inch Meter SDF Survey Comparison



APPENDIX A:

FINANCIAL PLAN

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Decision Criteria Dashboard

Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Operating Fund									
Months Increase is Effective in First Year	11	11	11	11	11	11	11	11	11
Annualized Percentage Increase	0.0%	14.0%	19.0%	6.0%	6.0%	5.0%	5.0%	3.0%	3.0%
Cumulative Increase	0.0%	14.0%	35.7%	43.8%	52.4%	60.0%	68.1%	73.1%	78.3%
Typical Residential Monthly Bill (1) (3/4-inch, 10 KGAL)	\$52.06	\$66.24	\$78.83	\$83.56	\$88.57	\$93.00	\$97.65	\$100.58	\$103.59
Cumulative Typical Residential Monthly Bill Increase		\$14.18	\$26.77	\$31.50	\$36.51	\$40.94	\$45.59	\$48.52	\$51.54
Operating Fund Ending Balance	\$6,509,106	\$7,196,156	\$6,190,429	\$5,280,362	\$4,889,840	\$4,375,229	\$3,085,691	\$2,754,442	\$2,169,205
Target	0	1,163,200	1,550,400	1,624,300	1,699,900	1,780,100	1,865,000	1,954,400	2,048,900
Operating Fund Above / Below Target	6,509,106	6,032,956	4,640,029	3,656,062	3,189,940	2,595,129	1,220,691	800,042	120,305
Combined Water Enterprise Fund									
Combined Water Fund Ending Balance	\$7,009,106	\$7,952,486	\$6,690,429	\$5,780,362	\$5,389,840	\$4,875,229	\$3,585,691	\$3,254,442	\$2,669,205
Target	500,000	1,663,200	2,050,400	2,124,300	2,199,900	2,280,100	2,365,000	2,454,400	2,548,900
Combined Fund Above / Below Target	6,509,106	6,289,286	4,640,029	3,656,062	3,189,940	2,595,129	1,220,691	800,042	120,305
<i>Current Year Debt Service Coverage - All Revenues</i>	2.64	4.03	2.85	1.47	1.74	1.70	1.89	1.68	2.53
<i>Current Year Debt Service Coverage - Excludes SDF and Buy-In Fees</i>	1.62	3.10	1.86	1.03	1.29	1.29	1.47	1.30	1.93
Legal Debt Service Coverage - Max. Annual Debt Service and All Revenues	2.90	3.17	1.33	1.59	1.61	1.80	1.74	1.77	1.80
<i>Target Debt Service Coverage</i>	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Capital Fund									
Grants / Forgivable Principal for Capital	535,182	0	0	0	0	0	0	0	0
SRF Issuance Proceeds	0	2,700,000	7,500,000	0	2,500,000	0	2,800,000	0	0
USDA-RD Bond Proceeds	0	0	0	0	0	0	0	0	0
<i>Annual CIP</i>	1,150,000	2,796,654	9,065,064	1,413,622	3,456,401	1,305,489	4,885,502	1,200,368	1,850,828
Ending Capital Fund Balance	\$500,000	\$756,330	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Target	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Capital Fund Above / Below Target	0	256,330	0	0	0	0	0	0	0

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Combined Water Enterprise Fund

Line No.	Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Sources of Funds									
2	Revenue from Existing Water Service Rates	4,842,501	4,901,120	4,960,618	5,021,009	5,082,306	5,144,523	5,207,672	5,271,769	5,336,827
3	Additional Water Sales Revenue Required	0	628,977	1,679,417	2,165,125	2,627,988	3,056,558	3,509,165	3,831,143	4,154,880
4	Total Water Service Rate Revenue	4,842,501	5,530,097	6,640,036	7,186,134	7,710,295	8,201,081	8,716,838	9,102,912	9,491,707
5	Miscellaneous Revenue	232,451	252,389	232,522	188,904	182,272	180,882	178,302	168,022	164,907
6	SRF Loan Proceeds	0	2,700,000	7,500,000	0	2,500,000	0	2,800,000	0	0
7	USDA-RD Loan Proceeds	0	0	0	0	0	0	0	0	0
8	Grants for Capital	535,182	0	0	0	0	0	0	0	0
9	System Development Service/Fire Line Fee	187,407	95,534	96,449	96,449	98,279	99,194	101,939	103,769	104,684
10	Annexation Buy-In Fee / Proposed PIF Revenue	187,737	247,450	264,772	280,815	289,240	306,511	318,657	328,216	347,453
11	Grants for Operations	0	0	0	0	0	0	0	0	0
12	Service Line Repair Fee	93,625	95,013	96,421	97,851	99,302	100,774	102,269	103,786	105,326
13	Investment Income	5,476	10,000	11,345	5,000	5,000	5,000	5,000	5,000	5,000
14	Total Sources	6,084,379	8,930,483	14,841,544	7,855,153	10,884,386	8,893,442	12,223,004	9,811,705	10,219,078
15	Uses of Funds									
16	Operation and Maintenance Expense	4,482,696	4,652,697	6,201,491	6,497,227	6,799,462	7,120,581	7,459,973	7,817,493	8,195,754
17	Debt Service									
18	Existing - SRF	368,125	368,253	366,215	367,038	366,665	367,103	367,333	367,360	0
19	Proposed - SRF	0	0	0	487,332	487,332	614,880	614,880	757,734	757,734
20	Proposed - USDA-RD	0	0	0	0	0	0	0	0	0
21	Total Debt Service	368,125	368,253	366,215	854,370	853,997	981,983	982,213	1,125,094	757,734
22	Debt Service Reserve and Issuance Expense	0	169,500	470,832	0	165,048	0	184,854	0	0
23	Total Capital Expenditures	1,150,000	2,796,654	9,065,064	1,413,622	3,456,401	1,305,489	4,885,502	1,200,368	1,850,828
24	Total Uses	6,000,821	7,987,103	16,103,602	8,765,219	11,274,908	9,408,053	13,512,542	10,142,955	10,804,315
25	Annual Surplus (Deficiency)	83,558	943,380	(1,262,057)	(910,066)	(390,522)	(514,611)	(1,289,538)	(331,249)	(585,238)
26	Beginning Balance	6,925,548	7,009,106	7,952,486	6,690,429	5,780,362	5,389,840	4,875,229	3,585,691	3,254,442
27	Ending Balance Before Target Reserves	7,009,106	7,952,486	6,690,429	5,780,362	5,389,840	4,875,229	3,585,691	3,254,442	2,669,205
28	Target Reserves	500,000	1,663,200	2,050,400	2,124,300	2,199,900	2,280,100	2,365,000	2,454,400	2,548,900
29	Ending Balance Less Target Reserves	6,509,106	6,289,286	4,640,029	3,656,062	3,189,940	2,595,129	1,220,691	800,042	120,305
30	Annualized Water Service Revenue Increase	0.0%	14.0%	19.0%	6.0%	6.0%	5.0%	5.0%	3.0%	3.0%
31	Typical Residential Monthly Bill (1) (3/4-inch, 10 KGAL)	\$52.06	\$64.94	\$78.58	\$87.22	\$96.82	\$101.66	\$106.74	\$109.94	\$113.24
32	Maximum Annual Debt Service (Exsting and Proposed)	\$368,253	\$497,253	\$855,585	\$854,692	\$982,240	\$982,240	\$1,125,094	\$1,125,094	\$1,125,094
33	Current Year Debt Service Coverage - All Revenues	2.64	4.03	2.85	1.47	1.74	1.70	1.89	1.68	2.53
34	Current Year Debt Service Coverage - Excludes SDF and Buy-	1.62	3.10	1.86	1.03	1.29	1.29	1.47	1.30	1.93
35	Legal Debt Service Coverage - Max. Annual Debt Service anc	2.90	3.17	1.33	1.59	1.61	1.80	1.74	1.77	1.80

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Operating Fund Cash Flow Analysis

Line No.	Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	
1	Sources of Funds									
2	Revenue from Existing Water Service Rates	4,842,501	4,901,120	4,960,618	5,021,009	5,082,306	5,144,523	5,207,672	5,271,769	5,336,827
3	Additional Water Sales Revenue Required	0	628,977	1,679,417	2,165,125	2,627,988	3,056,558	3,509,165	3,831,143	4,154,880
4	Total Water Service Rate Revenue	4,842,501	5,530,097	6,640,036	7,186,134	7,710,295	8,201,081	8,716,838	9,102,912	9,491,707
5	Miscellaneous Revenue	232,451	252,389	232,522	188,904	182,272	180,882	178,302	168,022	164,907
6	Service Line Repair Fee	93,625	95,013	96,421	97,851	99,302	100,774	102,269	103,786	105,326
7	Grants for Operating Expenses	0	0	0	0	0	0	0	0	0
8	Total Sources	5,168,577	5,877,499	6,968,979	7,472,889	7,991,868	8,482,738	8,997,408	9,374,720	9,761,940
9	Uses of Funds									
10	Operation and Maintenance Expense	4,482,696	4,652,697	6,201,491	6,497,227	6,799,462	7,120,581	7,459,973	7,817,493	8,195,754
11	Debt Service									
12	Existing - SRF	368,125	368,253	366,215	367,038	366,665	367,103	367,333	367,360	0
13	Proposed - SRF	0	0	0	487,332	487,332	614,880	614,880	757,734	757,734
14	Proposed - USDA-RD	0	0	0	0	0	0	0	0	0
15	Total Debt Service	368,125	368,253	366,215	854,370	853,997	981,983	982,213	1,125,094	757,734
16	Debt Service Reserve and Issuance Expense	0	169,500	470,832	0	165,048	0	184,854	0	0
17	Transfer To Capital Fund	186,646	0	936,169	1,031,359	563,882	894,785	1,659,906	763,382	1,393,690
18	Total Uses of Funds	5,037,467	5,190,450	7,974,707	8,382,955	8,382,390	8,997,349	10,286,946	9,705,969	10,347,178
19	Annual Surplus (Deficiency)	131,110	687,050	(1,005,728)	(910,066)	(390,522)	(514,611)	(1,289,538)	(331,249)	(585,238)
20	Beginning Balance	6,377,996	6,509,106	7,196,156	6,190,429	5,280,362	4,889,840	4,375,229	3,085,691	2,754,442
21	Ending Balance	6,509,106	7,196,156	6,190,429	5,280,362	4,889,840	4,375,229	3,085,691	2,754,442	2,169,205
22	Target Operating Reserves	0	1,163,200	1,550,400	1,624,300	1,699,900	1,780,100	1,865,000	1,954,400	2,048,900
23	Annual Water Service Revenue Increase	0.0%	14.0%	19.0%	6.0%	6.0%	5.0%	5.0%	3.0%	3.0%
24	Cumulative Revenue Increase	0.0%	14.0%	35.7%	43.8%	52.4%	60.0%	68.1%	73.1%	78.3%

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Water Service Rate Revenue - Including Revenue from Proposed Increases

Line				2023	2024	2025	2026	2027	2028	2029	2030	2031
No.	Description			FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
				\$	\$	\$	\$	\$	\$	\$	\$	
1	Revenue from Existing Water Service Rates			4,842,501	4,901,120	4,960,618	5,021,009	5,082,306	5,144,523	5,207,672	5,271,769	5,336,827
		Actual	Months									
	Year	Percent	in									
		Increase	Effect									
2	FY 2022-23	0.0%	11	0	0	0	0	0	0	0	0	0
3	FY 2023-24	14.0%	11		628,977	694,487	702,941	711,523	720,233	729,074	738,048	747,156
4	FY 2024-25	19.0%	11			984,931	1,087,551	1,100,828	1,114,304	1,127,982	1,141,865	1,155,957
5	FY 2025-26	6.0%	11				374,633	413,679	418,744	423,884	429,101	434,396
6	FY 2026-27	6.0%	11					401,958	443,868	449,317	454,847	460,460
7	FY 2027-28	5.0%	11						359,410	396,896	401,781	406,740
8	FY 2028-29	5.0%	11							382,013	421,871	427,077
9	FY 2029-30	3.0%	11								243,630	269,058
10	FY 2030-31	3.0%	11									254,036
11	Total Additional Revenue			0	628,977	1,679,417	2,165,125	2,627,988	3,056,558	3,509,165	3,831,143	4,154,880
12	Total Water Service Revenue			4,842,501	5,530,097	6,640,036	7,186,134	7,710,295	8,201,081	8,716,838	9,102,912	9,491,707

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Total Revenue

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Fire Line									
2	B - 1 1/2"	437	437	437	437	437	437	437	437	437
3	C - 2"	2,011	2,011	2,011	2,011	2,011	2,011	2,011	2,011	2,011
4	E - 4"	22,941	22,941	22,941	22,941	22,941	22,941	22,941	22,941	22,941
5	F - 6"	17,701	17,701	17,701	17,701	17,701	17,701	17,701	17,701	17,701
6	FIRE LINE	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338
7	L - 8" + 6"	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418
8	M-2" + 2"	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
9	M-8" + 8"	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806
10	Subtotal: Fire Line	64,195	64,195	64,195	64,195	64,195	64,195	64,195	64,195	64,195
11	Water - Residential									
12	00 - RES 5/8"	1,538,392	1,561,468	1,584,890	1,608,663	1,632,793	1,657,285	1,682,144	1,707,377	1,732,987
13	01 - RES 3/4"	1,056,611	1,072,460	1,088,547	1,104,875	1,121,448	1,138,270	1,155,344	1,172,674	1,190,264
14	02 - RES 1"	263,064	267,010	271,015	275,080	279,206	283,394	287,645	291,960	296,339
15	04 - RES 1 1/2"	37,987	38,557	39,136	39,723	40,318	40,923	41,537	42,160	42,793
16	05 - RES 2"	21,835	22,162	22,495	22,832	23,175	23,522	23,875	24,233	24,597
17	06 - RES 3"	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048
18	07 - RES 4"	22,249	22,249	22,249	22,249	22,249	22,249	22,249	22,249	22,249
19	Water - Commercial									
20	C0 - COM 5/8"	41,381	42,001	42,631	43,271	43,920	44,579	45,247	45,926	46,615
21	C1 - COM 3/4"	95,142	96,569	98,017	99,488	100,980	102,495	104,032	105,592	107,176
22	C2 - COM 1"	228,962	232,397	235,883	239,421	243,012	246,658	250,357	254,113	257,925
23	C4 - COM 1 1/2"	294,044	298,455	302,931	307,475	312,088	316,769	321,520	326,343	331,238
24	C5 - COM 2"	330,529	335,487	340,520	345,627	350,812	356,074	361,415	366,836	372,339
25	C6 - COM 3"	176,767	176,767	176,767	176,767	176,767	176,767	176,767	176,767	176,767
26	C7 - COM 4"	122,749	122,749	122,749	122,749	122,749	122,749	122,749	122,749	122,749
27	C8 - COM 6"	146,855	146,855	146,855	146,855	146,855	146,855	146,855	146,855	146,855
28	C9-COM 8"	27,584	27,584	27,584	27,584	27,584	27,584	27,584	27,584	27,584
29	Irrigation									
30	5/8"	2,568	2,568	2,568	2,568	2,568	2,568	2,568	2,568	2,568
31	3/4"	20,694	20,694	20,694	20,694	20,694	20,694	20,694	20,694	20,694
32	1"	54,250	54,250	54,250	54,250	54,250	54,250	54,250	54,250	54,250
33	1 1/2"	101,554	101,554	101,554	101,554	101,554	101,554	101,554	101,554	101,554
34	2"	44,498	44,498	44,498	44,498	44,498	44,498	44,498	44,498	44,498
35	Water Retailer									
36	1"	456	456	456	456	456	456	456	456	456
37	2"	28,283	28,283	28,283	28,283	28,283	28,283	28,283	28,283	28,283
38	4"	63,906	63,906	63,906	63,906	63,906	63,906	63,906	63,906	63,906
39	6"	56,897	56,897	56,897	56,897	56,897	56,897	56,897	56,897	56,897
40	Subtotal: Water	4,778,306	4,836,925	4,896,423	4,956,814	5,018,111	5,080,327	5,143,477	5,207,574	5,272,632
41	Total	4,842,501	4,901,120	4,960,618	5,021,009	5,082,306	5,144,523	5,207,672	5,271,769	5,336,827

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Capital Fund Cash Flow Analysis

Line No.	Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Sources of Funds									
2	Transfer From Operating Fund	186,646	0	936,169	1,031,359	563,882	894,785	1,659,906	763,382	1,393,690
3	SRF Loan Proceeds	0	2,700,000	7,500,000	0	2,500,000	0	2,800,000	0	0
4	USDA-RD Loan Proceeds	0	0	0	0	0	0	0	0	0
5	Grants for Capital	535,182	0	0	0	0	0	0	0	0
6	System Development Service/Fire Line Fee	187,407	95,534	96,449	96,449	98,279	99,194	101,939	103,769	104,684
7	Annexation Buy-In Fee / Proposed PIF Revenue	187,737	247,450	264,772	280,815	289,240	306,511	318,657	328,216	347,453
8	Investment Income	5,476	10,000	11,345	5,000	5,000	5,000	5,000	5,000	5,000
9	Total Sources	1,102,448	3,052,984	8,808,734	1,413,622	3,456,401	1,305,489	4,885,502	1,200,368	1,850,828
10	Uses of Funds									
11	Capital Projects	1,150,000	2,796,654	9,065,064	1,413,622	3,456,401	1,305,489	4,885,502	1,200,368	1,850,828
12	Transfer To Operating Fund	0	0	0	0	0	0	0	0	0
13	Total Uses	1,150,000	2,796,654	9,065,064	1,413,622	3,456,401	1,305,489	4,885,502	1,200,368	1,850,828
14	Annual Surplus (Deficiency)	(47,552)	256,330	(256,330)	0	0	0	0	0	0
15	Beginning Balance	547,552	500,000	756,330	500,000	500,000	500,000	500,000	500,000	500,000
16	Ending Balance	500,000	756,330	500,000	500,000	500,000	500,000	500,000	500,000	500,000
17	<i>Minimum Cash Reserve</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>
18	<i>Total Target Capital Reserve</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Annual Revenue from System Development Fees

Line		Annual Revenue								
No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Water									
2	00 - RES 5/8"	95,167	48,499	49,414	49,414	50,329	51,244	52,159	53,074	53,989
3	01 - RES 3/4"	43,923	22,877	22,877	22,877	23,792	23,792	23,792	24,707	24,707
4	02 - RES 1"	18,301	9,151	9,151	9,151	9,151	9,151	10,981	10,981	10,981
5	04 - RES 1 1/2"	0	0	0	0	0	0	0	0	0
6	05 - RES 2"	0	0	0	0	0	0	0	0	0
7	06 - RES 3"	0	0	0	0	0	0	0	0	0
8	07 - RES 4"	0	0	0	0	0	0	0	0	0
9	C0 - COM 5/8"	1,830	915	915	915	915	915	915	915	915
10	C1 - COM 3/4"	1,830	915	915	915	915	915	915	915	915
11	C2 - COM 1"	7,320	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660
12	C4 - COM 1 1/2"	7,321	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660
13	C5 - COM 2"	11,714	5,857	5,857	5,857	5,857	5,857	5,857	5,857	5,857
14	C6 - COM 3"	0	0	0	0	0	0	0	0	0
15	C7 - COM 4"	0	0	0	0	0	0	0	0	0
16	C8 - COM 6"	0	0	0	0	0	0	0	0	0
17	C9-COM 8"	0	0	0	0	0	0	0	0	0
18	Total	187,407	95,534	96,449	96,449	98,279	99,194	101,939	103,769	104,684

Billings Heights Water District
 Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
 Water Historical & Budget Operating Expense Input

Line No.	Account	Title	Inflation Coding	Actual	Estimated	Budget	Projected							
				FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	7500	Water Purchased		2,694,434	2,811,601	2,844,229	2,946,949	4,442,585	4,684,474	4,931,133	5,194,911	5,475,117	5,771,555	6,086,785
2	6900	Uncategorized Expenses		0	15,836	17,103	17,103	17,103	17,103	17,103	17,103	17,103	17,103	17,103
3	8009	Labor		561,835	587,693	592,160	617,120	635,634	654,703	674,344	694,574	715,411	736,874	758,980
4	8012	Directors Fee		15,850	11,400	11,400	12,312	12,681	13,062	13,454	13,857	14,273	14,701	15,142
5	8015	Payroll Taxes		46,490	65,267	54,853	59,241	61,018	62,849	64,734	66,676	68,677	70,737	72,859
6	8030	Ret. Benefits		56,296	54,084	55,840	60,307	62,117	63,980	65,900	67,877	69,913	72,010	74,171
7	8040	Insurance		233,471	297,219	353,141	350,153	360,658	371,477	382,622	394,100	405,923	418,101	430,644
8	8200	Supplies		103,145	104,822	136,619	142,084	146,347	150,737	155,259	159,917	164,715	169,656	174,746
9	8300	Purchased Services		370,917	689,600	375,895	402,745	417,325	431,439	446,088	461,275	477,043	493,402	510,371
10	8400	Building Materials		14,233	13,786	20,714	22,371	23,043	23,734	24,446	25,179	25,935	26,713	27,514
11	8500	Fixed Charges		16,481	20,128	18,950	20,466	21,080	21,712	22,364	23,035	23,726	24,438	25,171
12	8800	Other		1,349	961	1,792	1,846	1,901	1,958	2,017	2,077	2,139	2,204	2,270
13	Total Operating & Maintenance Expense			4,114,502	4,672,398	4,482,696	4,652,697	6,201,491	6,497,227	6,799,462	7,120,581	7,459,973	7,817,493	8,195,754

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Purchased Water Costs

Line No.	Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Previous Year Historical Water Purchases (1)	1,000,570	957,653	992,239	1,005,110	1,018,364	1,031,618	1,045,254	1,059,017	1,072,780
2	Growth % New Accounts	3.14%	1.31%	1.30%	1.32%	1.30%	1.32%	1.32%	1.30%	1.32%
3	Increased Water Purchases Due to Growth	31,423	12,586	12,871	13,254	13,254	13,636	13,763	13,763	14,146
4	Increase (Decrease) in Water Purchases Due to Increases / C	(74,340)	22,000	0	0	0	0	0	0	0
5	Total Change in Water Purchases	(42,917)	34,586	12,871	13,254	13,254	13,636	13,763	13,763	14,146
6	Previous Year Historical Water Purchases (1)	1,000,570	957,653	992,239	1,005,110	1,018,364	1,031,618	1,045,254	1,059,017	1,072,780
7	Projected Annual Water Purchases - KGAL	957,653	992,239	1,005,110	1,018,364	1,031,618	1,045,254	1,059,017	1,072,780	1,086,926
8	Change in Water Purchases - KGAL	(42,917)	34,586	12,871	13,254	13,254	13,636	13,763	13,763	14,146
9	Change in Water Purchases - %	-4.3%	3.6%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
City Water Purchase Costs										
10	Projected Annual Water Purchases - KGAL	957,653	992,239	1,005,110	1,018,364	1,031,618	1,045,254	1,059,017	1,072,780	1,086,926
11	Water Purchase Cost per KGAL	\$2.97	\$2.97	\$4.42	\$4.60	\$4.78	\$4.97	\$5.17	\$5.38	\$5.60
12	Annual Water Purchase Costs	\$2,844,229	\$2,946,949	\$4,442,585	\$4,684,474	\$4,931,133	\$5,194,911	\$5,475,117	\$5,771,555	\$6,086,785

Billings Heights Water District
 Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
 Water FY 2022-23 through FY 2031-32 Capital Improvement Plan (Inflated)

Line No.	Account	Title	Growth Related	Non-Growth Related	Listed Priority	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1		Capital Inflation				0.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
2		Compounded Inflation				0.0%	7.0%	14.5%	17.9%	21.5%	25.1%	28.9%	32.7%	36.7%	40.8%	
3	CIP-01	Northwest Transmission Main	90%	10%	4	\$970,000	\$2,717,503	\$8,602,902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,290,405
4	CIP-02	Bitterroot Loop Across Highway 312	80%	20%	4	0	0	0	0	0	326,372	3,773,547	0	0	0	4,099,920
5	CIP-03	Bitterroot from Barrett to Mary	50%	50%	4	0	0	0	147,017	1,642,077	0	0	0	0	0	1,789,094
6	CIP-04	Reservoir Management System	0%	100%	8	0	0	111,364	1,266,606	0	0	0	0	0	0	1,377,970
7	CIP-05	Assess Condition of Existing Pipelines	0%	100%	4	0	0	206,024	0	0	0	0	0	0	0	206,024
8	CIP-06	Aging Watermain Replacement Program	0%	100%	4	0	0	0	0	0	815,931	828,051	840,257	852,355	864,520	4,201,115
9	CIP-07	Dedicated Fill Line for Lanier Reservoir	0%	100%	8	0	0	0	0	666,017	0	0	0	0	0	666,017
10	CIP-08	Ultrasonic Meters at Hilltop & Lanier	0%	100%	5	0	0	0	0	0	0	130,122	0	0	0	130,122
11	CIP-09	Update GIS Attributes	0%	100%	7	0	0	0	0	149,280	0	0	0	0	0	149,280
12	CIP-10	GIS: Digital Workflows	20%	80%	7	0	0	0	0	0	0	153,781	0	0	0	153,781
13	CIP-11	GIS Support/Data Workflow Maintenances	20%	80%	7	0	0	0	0	0	0	0	0	669,707	0	669,707
14	CIP-12	Emergency Generation	0%	100%	7	0	0	0	0	0	75,765	0	0	0	0	75,765
15	CIP-13	Equipment Storage Building	80%	20%	7	0	0	0	0	861,229	0	0	0	0	0	861,229
16	CIP-14	Cold-Storage Yard at Ox Bow Tank Site	80%	20%	8	0	0	66,819	0	0	0	0	0	0	0	66,819
17	CIP-15	Shop Addition with 2-Ton Bridge Crane	80%	20%	7	0	0	0	0	0	0	0	360,110	0	0	360,110
18	CIP-16	5 Year Update to CIP	70%	30%	7	0	0	0	0	0	87,421	0	0	0	0	87,421
19	CIP-17	Rate Study	50%	50%	7	0	0	0	0	137,797	0	0	0	0	0	137,797
20	CIP-18	Comprehensive Water System PER	60%	40%	7	180,000	0	0	0	0	0	0	0	0	0	180,000
21	CIP-19	Billings Bypass Planning Area Study	100%	0%	7	0	0	77,955	0	0	0	0	0	0	0	77,955
22	CIP-20	Intake and WTP Due-Diligence Study	70%	30%	7	0	79,151	0	0	0	0	0	0	0	0	79,151
23	CIP-21	4MG Ox Bow II Reservoir	100%	0%	8	0	0	0	0	0	0	0	0	328,765	7,471,927	7,800,692
24	Total Water Capital Improvement Plan (Inflated)					\$1,150,000	\$2,796,654	\$9,065,064	\$1,413,622	\$3,456,401	\$1,305,489	\$4,885,502	\$1,200,368	\$1,850,828	\$8,336,447	\$35,460,375

Billings Heights Water District
 Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
 Annual Debt Service Summary (Existing and Projected)

Line No.	Description	Projected								
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Existing	368,253	368,253	368,253	368,253	368,253	368,253	368,253	368,253	368,253
2	Proposed	0	129,000	487,332	487,332	614,880	614,880	757,734	757,734	757,734
3	Total Debt Service Coverage	368,253	497,253	855,585	855,585	983,133	983,133	1,125,987	1,125,987	1,125,987

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Debt Service Coverage Tied to Max Annual Debt Service

Line No.	Description	Projected									Max
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Annual DS
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Existing Debt Service											
1	Oxbow WRF-17389	140,300	140,888	140,400	139,863	140,263	140,600	139,863	141,063	140,175	140,400
2	WRF-11238R	36,340	36,500	36,615	35,715	36,800	35,840	36,865	35,845	36,810	36,615
3	WRF-Bond C	190,138	190,738	191,238	190,638	189,975	190,225	190,375	190,425	190,375	191,238
4	Subtotal: Existing Debt Service	366,778	368,125	368,253	366,215	367,038	366,665	367,103	367,333	367,360	368,253
Proposed Debt Service											
5	FY 2022-23 Series	0	0	0	0	0	0	0	0	0	0
6	FY 2023-24 Series		0	0	129,000	129,000	129,000	129,000	129,000	129,000	129,000
7	FY 2024-25 Series			0	358,332	358,332	358,332	358,332	358,332	358,332	358,332
8	FY 2025-26 Series				0	0	0	0	0	0	0
9	FY 2026-27 Series					0	127,548	127,548	127,548	127,548	127,548
10	FY 2027-28 Series						0	0	0	0	0
11	FY 2028-29 Series							0	142,854	142,854	142,854
12	FY 2029-30 Series								0	0	0
13	FY 2030-31 Series									0	0
14	Subtotal: Proposed Debt Service	0	0	0	487,332	487,332	614,880	614,880	757,734	757,734	757,734
15	Proposed Maximum Annual Debt Service	0	129,000	487,332	487,332	614,880	614,880	757,734	757,734	757,734	
16	Existing Maximum Annual Debt Service	368,253	368,253	368,253	367,360	367,360	367,360	367,360	367,360	367,360	
17	Combined Maximum Annual Debt Service by Year	368,253	497,253	855,585	854,692	982,240	982,240	1,125,094	1,125,094	1,125,094	

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Annual Inflation Assumptions

Coding	Description	Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
Expenses												
C	Constant		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P	Personnel Services	Inflation	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
E	Employee Related Expenditures	Inflation	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
PS	Purchased Services	Inflation	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
S	Supplies	Inflation	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
MO	Maintenance and Operations	Inflation	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
PW	Purchased Water	Inflation	5.7%	0.0%	48.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
O	Other		8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
CIP	Capital Inflation		0.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
I	Insurance		8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
M	Materials		8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
U	Utilities	(Inflation Plus Growth)	0.7%	8.6%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	5.0%
Revenues												
MR	Miscellaneous Revenue		5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
II	Interest Income		1.0%	2.0%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
CO	Constant		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	Annexation Buy-In Fee		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SDS	System Development Service/Fire Line Fee		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Growth												
	Average Growth Rate In Accounts		1.36%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	0.00%
	Acres Assessed Annexation Fee		18.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Volume Charge Revenue

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Fire Line									
2	Subtotal: Fire Line	0	0	0	0	0	0	0	0	0
3	Water - Residential									
4	00 - RES 5/8"	662,582	672,521	682,609	692,848	703,240	713,789	724,496	735,363	746,394
5	01 - RES 3/4"	649,146	658,883	668,766	678,798	688,980	699,314	709,804	720,451	731,258
6	02 - RES 1"	171,258	173,827	176,435	179,081	181,767	184,494	187,261	190,070	192,921
7	04 - RES 1 1/2"	31,155	31,622	32,096	32,578	33,067	33,563	34,066	34,577	35,096
8	05 - RES 2"	20,365	20,670	20,980	21,295	21,614	21,939	22,268	22,602	22,941
9	06 - RES 3"	175	175	175	175	175	175	175	175	175
10	07 - RES 4"	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069	19,069
	Water - Commercial									
11	C0 - COM 5/8"	23,193	23,540	23,894	24,252	24,616	24,985	25,360	25,740	26,126
12	C1 - COM 3/4"	74,680	75,800	76,937	78,091	79,263	80,452	81,658	82,883	84,126
13	C2 - COM 1"	193,109	196,006	198,946	201,930	204,959	208,034	211,154	214,322	217,536
14	C4 - COM 1 1/2"	274,140	278,252	282,426	286,663	290,962	295,327	299,757	304,253	308,817
15	C5 - COM 2"	313,993	318,703	323,484	328,336	333,261	338,260	343,334	348,484	353,711
16	C6 - COM 3"	169,785	169,785	169,785	169,785	169,785	169,785	169,785	169,785	169,785
17	C7 - COM 4"	105,786	105,786	105,786	105,786	105,786	105,786	105,786	105,786	105,786
18	C8 - COM 6"	131,366	131,366	131,366	131,366	131,366	131,366	131,366	131,366	131,366
19	C9-COM 8"	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574	21,574
20	Irrigation									
21	5/8"	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319
22	3/4"	19,449	19,449	19,449	19,449	19,449	19,449	19,449	19,449	19,449
23	1"	51,039	51,039	51,039	51,039	51,039	51,039	51,039	51,039	51,039
24	1 1/2"	99,798	99,798	99,798	99,798	99,798	99,798	99,798	99,798	99,798
25	2"	43,412	43,412	43,412	43,412	43,412	43,412	43,412	43,412	43,412
26	Water Retailer									
27	1"	189	189	189	189	189	189	189	189	189
28	2"	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921
29	4"	61,786	61,786	61,786	61,786	61,786	61,786	61,786	61,786	61,786
30	6"	55,176	55,176	55,176	55,176	55,176	55,176	55,176	55,176	55,176
31	Subtotal: Water	3,222,465	3,258,669	3,295,416	3,332,715	3,370,573	3,408,999	3,448,001	3,487,589	3,527,770
32	Total	3,222,465	3,258,669	3,295,416	3,332,715	3,370,573	3,408,999	3,448,001	3,487,589	3,527,770

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Minimum Monthly Base Rate Revenue

Line No	Customer Class	Projected Minimum Charge Revenue								
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Fire Line									
2	B - 1 1/2"	437	437	437	437	437	437	437	437	437
3	C - 2"	2,011	2,011	2,011	2,011	2,011	2,011	2,011	2,011	2,011
4	E - 4"	22,941	22,941	22,941	22,941	22,941	22,941	22,941	22,941	22,941
5	F - 6"	17,701	17,701	17,701	17,701	17,701	17,701	17,701	17,701	17,701
6	FIRE LINE	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338
7	L - 8" + 6"	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418
8	M-2" + 2"	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
9	M-8" + 8"	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806
10	Subtotal: Fire Line	64,195	64,195	64,195	64,195	64,195	64,195	64,195	64,195	64,195
11	Water - Residential									
12	00 - RES 5/8"	875,810	888,947	902,281	915,816	929,553	943,496	957,649	972,013	986,593
13	01 - RES 3/4"	407,465	413,577	419,781	426,077	432,469	438,956	445,540	452,223	459,006
14	02 - RES 1"	91,806	93,183	94,580	95,999	97,439	98,901	100,384	101,890	103,418
15	04 - RES 1 1/2"	6,833	6,935	7,039	7,145	7,252	7,361	7,471	7,583	7,697
16	05 - RES 2"	1,470	1,492	1,514	1,537	1,560	1,583	1,607	1,631	1,656
17	06 - RES 3"	873	873	873	873	873	873	873	873	873
18	07 - RES 4"	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181
	Water - Commercial									
19	C0 - COM 5/8"	18,188	18,461	18,738	19,019	19,304	19,594	19,888	20,186	20,489
20	C1 - COM 3/4"	20,462	20,769	21,080	21,396	21,717	22,043	22,374	22,709	23,050
21	C2 - COM 1"	35,853	36,391	36,937	37,491	38,053	38,624	39,203	39,791	40,388
22	C4 - COM 1 1/2"	19,904	20,202	20,505	20,813	21,125	21,442	21,764	22,090	22,421
23	C5 - COM 2"	16,536	16,784	17,036	17,292	17,551	17,814	18,081	18,353	18,628
24	C6 - COM 3"	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982
25	C7 - COM 4"	16,963	16,963	16,963	16,963	16,963	16,963	16,963	16,963	16,963
26	C8 - COM 6"	15,489	15,489	15,489	15,489	15,489	15,489	15,489	15,489	15,489
27	C9-COM 8"	6,009	6,009	6,009	6,009	6,009	6,009	6,009	6,009	6,009
28	Irrigation									
29	5/8"	249	249	249	249	249	249	249	249	249
30	3/4"	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244
31	1"	3,211	3,211	3,211	3,211	3,211	3,211	3,211	3,211	3,211
32	1 1/2"	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756	1,756
33	2"	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
34	Water Retailer									
35	1"	268	268	268	268	268	268	268	268	268
36	2"	362	362	362	362	362	362	362	362	362
37	4"	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
38	6"	1,721	1,721	1,721	1,721	1,721	1,721	1,721	1,721	1,721
28	Subtotal: Water	1,555,841	1,578,256	1,601,007	1,624,099	1,647,538	1,671,329	1,695,476	1,719,985	1,744,862
39	Total	1,620,036	1,642,451	1,665,202	1,688,295	1,711,733	1,735,524	1,759,671	1,784,180	1,809,057

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Monthly Service Line Repair Fee Revenue

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Fire Line									
2	Subtotal: Fire Line	0	0	0	0	0	0	0	0	0
	Water - Residential									
3	00 - RES 5/8"	54,896	55,720	56,556	57,404	58,265	59,139	60,026	60,927	61,840
4	01 - RES 3/4"	25,540	25,923	26,312	26,707	27,107	27,514	27,927	28,346	28,771
5	02 - RES 1"	5,352	5,432	5,514	5,596	5,680	5,766	5,852	5,940	6,029
6	04 - RES 1 1/2"	364	370	375	381	387	392	398	404	410
7	05 - RES 2"	63	64	65	66	67	68	69	70	71
8	06 - RES 3"	16	16	16	16	16	16	16	16	16
9	07 - RES 4"	47	47	47	47	47	47	47	47	47
	Water - Commercial									
10	C0 - COM 5/8"	1,140	1,157	1,175	1,192	1,210	1,228	1,247	1,265	1,284
11	C1 - COM 3/4"	1,283	1,302	1,321	1,341	1,361	1,382	1,402	1,423	1,445
12	C2 - COM 1"	2,090	2,121	2,153	2,186	2,218	2,252	2,285	2,320	2,354
13	C4 - COM 1 1/2"	1,061	1,077	1,093	1,109	1,126	1,143	1,160	1,177	1,195
14	C5 - COM 2"	713	723	734	745	756	768	779	791	803
15	C6 - COM 3"	125	125	125	125	125	125	125	125	125
16	C7 - COM 4"	250	250	250	250	250	250	250	250	250
17	C8 - COM 6"	140	140	140	140	140	140	140	140	140
18	C9-COM 8"	47	47	47	47	47	47	47	47	47
19	Irrigation									
20	5/8"	16	16	16	16	16	16	16	16	16
21	3/4"	78	78	78	78	78	78	78	78	78
22	1"	187	187	187	187	187	187	187	187	187
23	1 1/2"	94	94	94	94	94	94	94	94	94
24	2"	47	47	47	47	47	47	47	47	47
25	Water Retailer									
26	1"	16	16	16	16	16	16	16	16	16
27	2"	16	16	16	16	16	16	16	16	16
28	4"	31	31	31	31	31	31	31	31	31
29	6"	16	16	16	16	16	16	16	16	16
30	Subtotal: Water	93,625	95,013	96,421	97,851	99,302	100,774	102,269	103,786	105,326
31	Total	93,625	95,013	96,421	97,851	99,302	100,774	102,269	103,786	105,326

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Existing Rates

Line No	Customer Class	Monthly Service Line Repair	Monthly Minimum Charge
1	Water - Residential		
2	00 - RES 5/8"	\$1.30	\$20.74
3	01 - RES 3/4"	\$1.30	\$20.74
4	02 - RES 1"	\$1.30	\$22.30
5	04 - RES 1 1/2"	\$1.30	\$24.39
6	05 - RES 2"	\$1.30	\$30.17
7	06 - RES 3"	\$1.30	\$72.73
8	07 - RES 4"	\$1.30	\$88.35
	Water - Commercial		
9	C0 - COM 5/8"	\$1.30	\$20.74
10	C1 - COM 3/4"	\$1.30	\$20.74
11	C2 - COM 1"	\$1.30	\$22.30
12	C4 - COM 1 1/2"	\$1.30	\$24.39
13	C5 - COM 2"	\$1.30	\$30.17
14	C6 - COM 3"	\$1.30	\$72.73
15	C7 - COM 4"	\$1.30	\$88.35
16	C8 - COM 6"	\$1.30	\$143.42
17	C9-COM 8"	\$1.30	\$166.93

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Projected Consumption

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Water - Residential										
1	00 - RES 5/8"	236,436	239,983	243,582	247,236	250,945	254,709	258,529	262,407	266,344
2	01 - RES 3/4"	192,548	195,436	198,367	201,343	204,363	207,429	210,540	213,698	216,904
3	02 - RES 1"	47,119	47,826	48,543	49,271	50,010	50,760	51,522	52,295	53,079
4	04 - RES 1 1/2"	6,771	6,873	6,976	7,080	7,186	7,294	7,404	7,515	7,627
5	05 - RES 2"	3,653	3,708	3,764	3,820	3,877	3,935	3,995	4,054	4,115
6	06 - RES 3"	76	76	76	76	76	76	76	76	76
7	07 - RES 4"	3,430	3,430	3,430	3,430	3,430	3,430	3,430	3,430	3,430
Water - Commercial										
8	C0 - COM 5/8"	6,876	6,979	7,084	7,190	7,298	7,408	7,519	7,632	7,746
9	C1 - COM 3/4"	16,873	17,126	17,383	17,644	17,909	18,177	18,450	18,727	19,008
10	C2 - COM 1"	41,493	42,116	42,747	43,389	44,039	44,700	45,371	46,051	46,742
11	C4 - COM 1 1/2"	50,038	50,789	51,550	52,324	53,109	53,905	54,714	55,534	56,367
12	C5 - COM 2"	53,975	54,785	55,606	56,441	57,287	58,146	59,019	59,904	60,802
13	C6 - COM 3"	27,388	27,388	27,388	27,388	27,388	27,388	27,388	27,388	27,388
14	C7 - COM 4"	18,195	18,195	18,195	18,195	18,195	18,195	18,195	18,195	18,195
15	C8 - COM 6"	21,530	21,530	21,530	21,530	21,530	21,530	21,530	21,530	21,530
16	C9-COM 8"	3,744	3,744	3,744	3,744	3,744	3,744	3,744	3,744	3,744
Irrigation										
17	5/8"	393	393	393	393	393	393	393	393	393
18	3/4"	3,296	3,296	3,296	3,296	3,296	3,296	3,296	3,296	3,296
19	1"	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651
20	1 1/2"	16,915	16,915	16,915	16,915	16,915	16,915	16,915	16,915	16,915
21	2"	7,358	7,358	7,358	7,358	7,358	7,358	7,358	7,358	7,358
Water Retailer										
22	1"	30	30	30	30	30	30	30	30	30
23	2"	4,440	4,440	4,440	4,440	4,440	4,440	4,440	4,440	4,440
24	4"	9,824	9,824	9,824	9,824	9,824	9,824	9,824	9,824	9,824
25	6"	8,773	8,773	8,773	8,773	8,773	8,773	8,773	8,773	8,773
26										
27										
28	Subtotal: Water	789,825	799,662	809,646	819,780	830,066	840,507	851,104	861,859	872,777
29	Total	789,825	799,662	809,646	819,780	830,066	840,507	851,104	861,859	872,777

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Projected Bills

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Fire Line									
2	B - 1 1/2"	24	24	24	24	24	24	24	24	24
3	C - 2"	60	60	60	60	60	60	60	60	60
4	E - 4"	372	372	372	372	372	372	372	372	372
5	F - 6"	156	156	156	156	156	156	156	156	156
6	FIRE LINE	36	36	36	36	36	36	36	36	36
7	G - 8"	0	0	0	0	0	0	0	0	0
8	K - 50% OF L	12	12	12	12	12	12	12	12	12
9	L - 8" + 6"	24	24	24	24	24	24	24	24	24
10	M-2" + 2"	24	24	24	24	24	24	24	24	24
11	M-8" + 8"	12	12	12	12	12	12	12	12	12
12	Subtotal: Fire Line	720	720	720	720	720	720	720	720	720
13	Water - Residential									
14	00 - RES 5/8"	42,228	42,861	43,504	44,157	44,819	45,492	46,174	46,867	47,570
15	01 - RES 3/4"	19,646	19,941	20,240	20,544	20,852	21,165	21,482	21,804	22,131
16	02 - RES 1"	4,117	4,179	4,241	4,305	4,369	4,435	4,502	4,569	4,638
17	04 - RES 1 1/2"	280	284	289	293	297	302	306	311	316
18	05 - RES 2"	49	49	50	51	52	52	53	54	55
19	06 - RES 3"	12	12	12	12	12	12	12	12	12
20	07 - RES 4"	36	36	36	36	36	36	36	36	36
	Water - Commercial									
21	C0 - COM 5/8"	877	890	903	917	931	945	959	973	988
22	C1 - COM 3/4"	987	1,001	1,016	1,032	1,047	1,063	1,079	1,095	1,111
23	C2 - COM 1"	1,608	1,632	1,656	1,681	1,706	1,732	1,758	1,784	1,811
24	C4 - COM 1 1/2"	816	828	841	853	866	879	892	906	919
25	C5 - COM 2"	548	556	565	573	582	590	599	608	617
26	C6 - COM 3"	96	96	96	96	96	96	96	96	96
27	C7 - COM 4"	192	192	192	192	192	192	192	192	192
28	C8 - COM 6"	108	108	108	108	108	108	108	108	108
29	C9-COM 8"	36	36	36	36	36	36	36	36	36
30	Irrigation									
31	5/8"	12	12	12	12	12	12	12	12	12
32	3/4"	60	60	60	60	60	60	60	60	60
33	1"	144	144	144	144	144	144	144	144	144
34	1 1/2"	72	72	72	72	72	72	72	72	72
35	2"	36	36	36	36	36	36	36	36	36
36	Water Retailer									
37	1"	12	12	12	12	12	12	12	12	12
38	2"	12	12	12	12	12	12	12	12	12
39	4"	24	24	24	24	24	24	24	24	24
40	6"	12	12	12	12	12	12	12	12	12
	Subtotal: Water	72,020	73,087	74,170	75,270	76,386	77,519	78,669	79,836	81,020
41	Total	72,740	73,807	74,890	75,990	77,106	78,239	79,389	80,556	81,740

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Projected EQRs

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Fire Line									
2	B - 1 1/2"	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
3	C - 2"	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
4	E - 4"	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50
5	F - 6"	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
6	FIRE LINE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
7	G - 8"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	K - 50% OF L	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
9	L - 8" + 6"	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
10	M-2" + 2"	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
11	M-8" + 8"	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
12	Subtotal: Fire Line EQRs	38.12	38.12	38.12	38.12	38.12	38.12	38.12	38.12	38.12
13	Water - Residential									
14	00 - RES 5/8"	3,519	3,572	3,625	3,680	3,735	3,791	3,848	3,906	3,964
15	01 - RES 3/4"	1,637	1,662	1,687	1,712	1,738	1,764	1,790	1,817	1,844
16	02 - RES 1"	573	582	590	599	608	617	626	636	645
17	04 - RES 1 1/2"	78	79	80	81	83	84	85	86	88
18	05 - RES 2"	22	22	22	23	23	23	24	24	24
19	06 - RES 3"	11	11	11	11	11	11	11	11	11
20	07 - RES 4"	50	50	50	50	50	50	50	50	50
	Water - Commercial									
21	C0 - COM 5/8"	73	74	75	76	78	79	80	81	82
22	C1 - COM 3/4"	82	83	85	86	87	89	90	91	93
23	C2 - COM 1"	224	227	231	234	237	241	245	248	252
24	C4 - COM 1 1/2"	226	230	233	237	240	244	248	251	255
25	C5 - COM 2"	243	247	251	255	258	262	266	270	274
26	C6 - COM 3"	85	85	85	85	85	85	85	85	85
27	C7 - COM 4"	267	267	267	267	267	267	267	267	267
28	C8 - COM 6"	300	300	300	300	300	300	300	300	300
29	C9-COM 8"	160	160	160	160	160	160	160	160	160
	Irrigation									
30	5/8"	1	1	1	1	1	1	1	1	1
31	3/4"	5	5	5	5	5	5	5	5	5
32	1"	20	20	20	20	20	20	20	20	20
33	1 1/2"	20	20	20	20	20	20	20	20	20
34	2"	16	16	16	16	16	16	16	16	16
	Water Retailer									
35	1"	2	2	2	2	2	2	2	2	2
36	2"	5	5	5	5	5	5	5	5	5
37	4"	33	33	33	33	33	33	33	33	33
38	6"	33	33	33	33	33	33	33	33	33
39	Subtotal: Water EQRs	7,685	7,786	7,887	7,991	8,095	8,202	8,310	8,418	8,529
40	Total	7,723	7,824	7,925	8,029	8,133	8,240	8,348	8,456	8,567
	Weighted Average of Change in EQRs - %	3.141%	1.314%	1.297%	1.319%	1.301%	1.322%	1.317%	1.300%	1.319%

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Projected Growth by Fiscal Year

Line No	Customer Class	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Fire Line									
2	B - 1 1/2"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	C - 2"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	E - 4"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	F - 6"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	FIRE LINE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	G - 8"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	K - 50% OF L	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	L - 8" + 6"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	M-2" + 2"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	M-8" + 8"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Water - Residential									
13	00 - RES 5/8"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
14	01 - RES 3/4"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
15	02 - RES 1"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
16	04 - RES 1 1/2"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	05 - RES 2"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
18	06 - RES 3"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	07 - RES 4"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Water - Commercial									
20	C0 - COM 5/8"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
21	C1 - COM 3/4"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
22	C2 - COM 1"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
23	C4 - COM 1 1/2"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
24	C5 - COM 2"	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
25	C6 - COM 3"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	C7 - COM 4"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	C8 - COM 6"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	C9-COM 8"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Irrigation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	5/8"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	3/4"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	1"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33	1 1/2"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34	2"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	3"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	4"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37	6"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
38	8"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39	Water Retailer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Annual Accounts & Projected Annual Growth

Line No	Customer Class	Historical Accounts by Fiscal Year (Kgal)				Annual Growth % Increase		
		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2019-20	FY 2020-21	FY 2021-22
1	Fire Line							
2	B - 1 1/2"	2	2	2	2	0.0%	0.0%	0.0%
3	C - 2"	5	5	5	5	0.0%	0.0%	0.0%
4	E - 4"	30	31	31	31	3.3%	0.0%	0.0%
5	F - 6"	14	14	13	13	0.0%	-7.1%	0.0%
6	FIRE LINE	1	2	3	3	100.0%	50.0%	0.0%
7	G - 8"	5	5	5	5	0.0%	0.0%	0.0%
8	K - 50% OF L	2	2	2	1	0.0%	0.0%	-50.0%
9	L - 8" + 6"	2	2	2	2	0.0%	0.0%	0.0%
10	M-2" + 2"	2	2	2	2	0.0%	0.0%	0.0%
11	M-8" + 8"	2	2	1	1	0.0%	-50.0%	0.0%
12	Water - Residential							
13	00 - RES 5/8"	3,446	3,465	3,471	3,467	0.6%	0.2%	-0.1%
14	01 - RES 3/4"	1,438	1,489	1,560	1,613	3.5%	4.8%	3.4%
15	02 - RES 1"	307	314	319	338	2.3%	1.6%	6.0%
16	04 - RES 1 1/2"	21	21	23	23	0.0%	9.5%	0.0%
17	05 - RES 2"	3	2	3	4	-33.3%	50.0%	33.3%
18	06 - RES 3"	1	1	1	1	0.0%	0.0%	0.0%
19	07 - RES 4"	3	2	2	3	-33.3%	0.0%	50.0%
	Water - Commercial							
20	C0 - COM 5/8"	74	72	71	72	-2.7%	-1.4%	1.4%
21	C1 - COM 3/4"	78	76	76	81	-2.6%	0.0%	6.6%
22	C2 - COM 1"	124	124	124	132	0.0%	0.0%	6.5%
23	C4 - COM 1 1/2"	59	57	57	67	-3.4%	0.0%	17.5%
24	C5 - COM 2"	41	39	40	45	-4.9%	2.6%	12.5%
25	C6 - COM 3"	8	8	8	8	0.0%	0.0%	0.0%
26	C7 - COM 4"	15	15	15	16	0.0%	0.0%	6.7%
27	C8 - COM 6"	9	8	8	9	-11.1%	0.0%	12.5%
28	C9-COM 8"	3	3	3	3	0.0%	0.0%	0.0%

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Use per Bill

Line No	Customer Class	FY 2019-20	FY 2020-21	2-Year Average	Projected Use Per Bill
1	Fire Line				
2	Subtotal: Fire Line	0.0	0.0	0.0	0.0
3	Water - Residential				
4	00 - RES 5/8"	6.3	4.9	5.6	5.6
5	01 - RES 3/4"	8.9	10.7	9.8	9.8
6	02 - RES 1"	10.5	12.4	11.4	11.4
7	04 - RES 1 1/2"	22.4	25.9	24.2	24.2
8	05 - RES 2"	78.0	72.0	75.0	75.0
9	06 - RES 3"	7.4	5.3	6.3	6.3
10	07 - RES 4"	84.1	106.5	95.3	95.3
	Water - Commercial				
11	C0 - COM 5/8"	7.5	8.2	7.8	7.8
12	C1 - COM 3/4"	17.0	17.2	17.1	17.1
13	C2 - COM 1"	25.1	26.5	25.8	25.8
14	C4 - COM 1 1/2"	59.8	62.9	61.3	61.3
15	C5 - COM 2"	95.2	101.8	98.5	98.5
16	C6 - COM 3"	267.4	303.1	285.3	285.3
17	C7 - COM 4"	100.7	88.8	94.8	94.8
18	C8 - COM 6"	181.6	217.1	199.4	199.4
19	C9-COM 8"	74.6	133.4	104.0	104.0
20	Irrigation				
21	5/8"	13.6	51.9	32.8	32.8
22	3/4"	47.3	62.6	54.9	54.9
23	1"	62.5	57.7	60.1	60.1
24	1 1/2"	255.7	214.2	234.9	234.9
25	2"	223.0	185.8	204.4	204.4
26	Water Retailer				
27	1"	2.6	2.4	2.5	2.5
28	2"	329.2	410.8	370.0	370.0
29	4"	402.4	416.3	409.3	409.3
30	6"	759.5	702.7	731.1	731.1
31	Subtotal: Water	1,648.5	1,768.8	1,708.7	1,708.7
32	Total	3,142.1	3,300.9	4,930.2	4,930.2

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Miscellaneous Revenue Historical and Projected Totals

Line No.	Description	Code	Inflation Code	Budget	Projected							
				FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
				\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Uncategorized Income	6000	CO	396	396	396	396	396	396	396	396	396
2	Interest Income	6030	II	124,564	130,182	107,942	61,904	52,804	48,898	43,752	30,857	27,544
3	Other Income	6040	MR	107,177	109,320	111,506	113,736	116,011	118,331	120,698	123,112	123,112
4	Work Order Income	6060	MR	314	320	326	333	340	347	354	361	361
5	Misc. Billing Charge	0	CO	0	12,171	12,352	12,535	12,721	12,910	13,101	13,296	13,493
6	Total Miscellaneous Revenue			232,451	252,389	232,522	188,904	182,272	180,882	178,302	168,022	164,907

APPENDIX B:

COST-OF-SERVICE RESULTS

**Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Test-Year Revenue Requirements**

**SCHEDULE:
DATE:
RANGE:**

**COS
07/17/23
COS_TY**

Line No.	Description	Amount (\$)
	Operation & Maintenance Expense	
1	Current Operations	4,652,697
2	Total Operation & Maintenance Expense	4,652,697
	Debt Service	
3	Existing	368,253
4	Proposed	0
5	Debt Service Reserve Expense	169,500
6	Transfer to Capital Fund	0
7	Total Capital Costs	537,753
8	Total Revenue Requirements	5,190,450
	Operating Subfund Other Inflows / Outflows	
9	Uncategorized Income	(396)
10	Interest Income	(130,182)
11	Other Income	(109,320)
12	Work Order Income	(320)
13	Misc. Billing Charge	(12,171)
14	Additional Rate Rev If Rates Were Effective July 1	52,415
15	Service Line Repair	(95,013)
16	Total Operating Subfund Other Inflows / Outflows	(294,987)
17	Increase (Decrease) in Operating Reserves	687,050
18	Total Adjustments	392,062
19	Net Cost of Service	\$5,582,512

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Allocation of Water System Assets

FILE: \ctCity\Increase - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_PLTALLO

Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Assets (1)	CIP (2)	Total	Base	Extra Capacity		Local Distribution Lines	Customer		Direct Fire Protection
						Maximum Day	Maximum Hour		Meters and Services	Billing	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Water Supply	0	0	0	0	0	0	0	0	0	0
3	Treatment	0	0	0	0	0	0	0	0	0	0
4	Transmission & Distribution	7,828,863	2,539,723	10,368,585	1,860,124	2,575,557	2,718,643	3,214,261	0	0	0
5	Meter	1,467,817	0	1,467,817	0	0	0	0	1,467,817	0	0
6	Fire Protection	155,327	0	155,327	0	0	0	0	0	0	155,327
7	General & Admin	756,339	73,973	830,312	183,046	253,342	225,127	112,159	51,218	0	5,420
8	Reservoirs / Treated Water Storage	9,823,930	0	9,823,930	2,554,222	3,536,615	3,733,093	0	0	0	0
9	Pumping	1,979,551	0	1,979,551	831,412	1,148,140	0	0	0	0	0
10	Miscellaneous Equipment	414,326	0	414,326	91,340	126,418	112,339	55,967	25,558	0	2,705
11	Vehicles	622,689	0	622,689	137,274	189,993	168,833	84,113	38,411	0	4,065
Total Assets		\$23,048,843	\$2,613,695	\$25,662,538	\$5,657,418	\$7,830,063	\$6,958,036	\$3,466,500	\$1,583,004	\$0	\$167,517
Transmission and Distribution Lines (3)											
12	Constructed Water Lines - Transmission	2,974,968	965,095	3,940,062	1,024,416	1,418,422	1,497,224	0	0	0	0
13	Constructed Water Lines - Distribution	4,853,895	1,574,628	6,428,523	835,708	1,157,134	1,221,419	3,214,261	0	0	0
14	Total Transmission and Distribution Lines	7,828,863	2,539,723	10,368,585	1,860,124	2,575,557	2,718,643	3,214,261	0	0	0
15	Total Water System Assets	30,877,706	5,153,418	36,031,123	7,517,542	10,405,620	9,676,679	6,680,762	1,583,004	0	167,517
16	<i>Percent of Total</i>			100.0%	20.9%	28.9%	26.9%	18.5%	4.4%	0.0%	0.5%
17	Annual Capital Costs			\$537,753	\$112,198	\$155,300	\$144,421	\$99,708	\$23,626	\$0	\$2,500
Allocation of Functions to Service Demand Categories											
18	Land			100.00%	100.00%						
19	Water Supply			100.00%	100.00%						
20	Treatment			100.00%	42.00%	58.00%					
21	Transmission & Distribution			100.00%	17.94%	24.84%	26.22%	31.00%			
22	Meter			100.00%					100.00%		
23	Fire Protection			100.00%							100.00%
24	General & Admin			100.00%	22.05%	30.51%	27.11%	13.51%	6.17%	0.00%	0.65%
25	Reservoirs / Treated Water Storage			100.00%	26.00%	36.00%	38.00%				
26	Pumping			100.00%	42.00%	58.00%					
27	Miscellaneous Equipment			100.00%	22.05%	30.51%	27.11%	13.51%	6.17%	0.00%	0.65%
28	Vehicles			100.00%	22.05%	30.51%	27.11%	13.51%	6.17%	0.00%	0.65%
Transmission and Distribution Lines											
29	Constructed Water Lines - Transmission			100.00%	26.00%	36.00%	38.00%				
30	Constructed Water Lines - Distribution			100.00%	13.00%	18.00%	19.00%	50.00%			
31	Total Transmission and Distribution Lines										
General Plant											
32	Miscellaneous / Admin			100.00%	22.05%	30.51%	27.11%	13.51%	6.17%	0.00%	0.65%

(1) Existing water system asset original cost as of 6/30/21 by function.

(2) Cumulative CIP by functional designation constructed through the test year.

(3) 62% of the inch-feet of water system lines are distribution, remaining 38% are transmission lines per water system line inventory of linear feet by line diameter size.

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
O&M Allocations to Functional Categories

FILE: inal_050523_FY202425_48pctCityIncrease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_OMFUNC

Line

No.	Description	Source of Supply /							Customer Accounting and Billing	Total
		Total	Water Rights	Treatment	Storage	Transmission	Distribution	Meters and Services		
1	Water Purchased	\$2,946,949	\$0	\$2,946,949	\$0	\$0	\$0	\$0	\$0	\$2,946,949
2	Labor	617,120	0	61,712	61,712	117,253	191,307	92,568	92,568	617,120
3	Directors Fee	12,312	0	8,769	467	725	1,182	584	584	12,312
4	Payroll Taxes	59,241	0	5,924	5,924	11,256	18,365	8,886	8,886	59,241
5	Ret. Benefits	60,307	0	6,031	6,031	11,458	18,695	9,046	9,046	60,307
6	Insurance	350,153	0	0	46,183	71,622	116,857	57,745	57,745	350,153
7	Supplies	142,084	0	7,104	7,104	40,494	66,069	10,656	10,656	142,084
8	Purchased Services	402,745	0	0	80,549	61,217	99,881	80,549	80,549	402,745
9	Building Materials	22,371	0	0	0	8,501	13,870	0	0	22,371
10	Fixed Charges	20,466	0	14,577	777	1,205	1,965	971	971	20,466
11	Other	18,948	0	13,496	719	1,115	1,819	899	899	18,948
12	Total O&M	\$4,652,697	\$0	\$3,064,563	\$209,466	\$324,846	\$530,012	\$261,905	\$261,905	\$4,652,697
Allocations to Functions										
13	Water Purchased	100.0%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Labor	100.0%	0.00%	10.00%	10.00%	19.00%	31.00%	15.00%	15.00%	
15	Directors Fee	100.0%	0.00%	71.23%	3.80%	5.89%	9.60%	4.75%	4.75%	
16	Payroll Taxes	100.0%	0.00%	10.00%	10.00%	19.00%	31.00%	15.00%	15.00%	
17	Ret. Benefits	100.0%	0.00%	10.00%	10.00%	19.00%	31.00%	15.00%	15.00%	
18	Insurance	100.0%	0.00%	0.00%	13.19%	20.45%	33.37%	16.49%	16.49%	
19	Supplies	100.0%	0.00%	5.00%	5.00%	28.50%	46.50%	7.50%	7.50%	
20	Purchased Services	100.0%	0.00%	0.00%	20.00%	15.20%	24.80%	20.00%	20.00%	
21	Building Materials	100.0%	0.00%	0.00%	0.00%	38.00%	62.00%	0.00%	0.00%	
22	Fixed Charges	100.0%	0.00%	71.23%	3.80%	5.89%	9.60%	4.75%	4.75%	
23	Other	100.0%	0.00%	71.23%	3.80%	5.89%	9.60%	4.75%	4.75%	
24	Weighted Average w/ Treatment	100.0%	0.00%	71.23%	3.80%	5.89%	9.60%	4.75%	4.75%	
25	Weighted Average w/o Treatment	100.0%	0.00%		13.19%	20.45%	33.37%	16.49%	16.49%	

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Allocations of O&M Expenses to Service Categories

FILE: rease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_OMALLO

Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total	Base	Extra Capacity		Local Distribution Lines	Customer		
				Maximum Day	Maximum Hour		Meters and Services	Billing/ Customer Service	Direct Fire Protection
		\$	\$	\$	\$	\$	\$	\$	\$
1	Source of Supply / Water Rights	100.00%	100.00%	0.00%	0.00%				
2	Treatment	100.00%	42.00%	58.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Storage	100.00%	26.00%	36.00%	38.00%	0.00%	0.00%	0.00%	0.00%
4	Transmission	100.00%	26.00%	36.00%	38.00%	0.00%	0.00%	0.00%	0.00%
5	Distribution	100.00%	14.00%	18.00%	18.00%	50.00%	0.00%	0.00%	0.00%
6	Meters and Services	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
7	Customer Accounting and Billing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
8	Source of Supply / Water Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Treatment	3,064,563	1,287,117	1,777,447	0	0	0	0	0
10	Storage	209,466	54,461	75,408	79,597	0	0	0	0
11	Transmission	324,846	84,460	116,945	123,441	0	0	0	0
12	Distribution	530,012	74,202	95,402	95,402	265,006	0	0	0
13	Meters and Services	261,905	0	0	0	0	261,905	0	0
14	Customer Accounting and Billing	261,905	0	0	0	0	0	261,905	0
15	Total Operation and Maintenance Expense	\$4,652,697	\$1,500,239	\$2,065,201	\$298,441	\$265,006	\$261,905	\$261,905	\$0
16	<i>Percent of Total</i>	<i>100.0%</i>	<i>32.24%</i>	<i>44.39%</i>	<i>6.41%</i>	<i>5.70%</i>	<i>5.63%</i>	<i>5.63%</i>	<i>0.00%</i>

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Allocation of Adjustments to Revenue Requirements to Service Categories

FILE: rease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_REVADJ

Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total	Base	Extra Capacity		Customer		Billing/ Customer Service	Direct Fire Protection
				Maximum Day	Maximum Hour	Local Distribution Lines	Meters and Services		
1	Uncategorized Income	(\$396)	(\$128)	(\$176)	(\$25)	(\$23)	(\$22)	(\$22)	\$0
2	Interest Income	(130,182)	(41,977)	(57,784)	(8,350)	(7,415)	(7,328)	(7,328)	0
3	Other Income	(109,320)	(35,250)	(48,524)	(7,012)	(6,227)	(6,154)	(6,154)	0
4	Work Order Income	(320)	(103)	(142)	(21)	(18)	(18)	(18)	0
5	Misc. Billing Charge	(12,171)	(3,925)	(5,402)	(781)	(693)	(685)	(685)	0
6	Additional Rate Rev If Rates Were Effective July 1	52,415	10,936	15,137	14,077	9,719	2,303	0	244
7	Service Line Repair	(95,013)	(30,636)	(42,174)	(6,094)	(5,412)	(5,348)	(5,348)	0
8	Increase (Decrease) in Operating Reserves	687,050	221,536	304,962	44,070	39,133	38,675	38,675	0
9	Total	\$392,062	\$120,454	\$165,897	\$35,863	\$29,064	\$21,422	\$19,119	\$244
10	Total - Weighted Average		30.72%	42.31%	9.15%	7.41%	5.46%	4.88%	0.06%
11	Uncategorized Income		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
12	Interest Income		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
13	Other Income		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
14	Work Order Income		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
15	Misc. Billing Charge		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
16	Additional Rate Rev If Rates Were Effective July 1		20.86%	28.88%	26.86%	18.54%	4.39%	0.00%	0.46%
17	Service Line Repair		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%
18	Increase (Decrease) in Operating Reserves		32.24%	44.39%	6.41%	5.70%	5.63%	5.63%	0.00%

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Customer Class	Water Use		Maximum Day Demand			Maximum Hour Demand			Accounts	Bills	Eq. Meters (Meter Cap.)	Eq. Meters (Meter Cost)	Direct Weighted Fire Units	Indirect Weighted Fire Units
		Annual 1,000 gallons	Average Day gpd	Demand Factor	Total Demand gpd	Extra Demand gpd	Demand Factor	Total Demand gpd	Extra Demand gpd						
1	Residential	518,392	1,420,253	290%	4,121,695	2,701,443	464%	6,594,712	2,473,017	5,614	67,363	5,978	5,976	16,841	16,840,725
2	Commercial	217,027	594,596	202%	1,198,778	604,182	323%	1,918,045	719,267	445	5,340	1,673	1,673	4,672	4,672,493
3	Irrigation Only	32,262	88,389	406%	358,983	270,594	650%	574,373	215,390	27	324	62	62	0	0
4	Water Resellers	23,066	63,195	147%	93,079	29,884	236%	148,927	55,848	5	60	73	73	0	0
5	Standby Private Fire Line	0	0	240%	0	0	384%	0	0	60	720	38	38	630	630,000
6	Total	790,748	2,166,432		5,772,536	3,606,104		9,236,057	3,463,521	6,091	73,087	7,786	7,784	21,513	21,513,218
Fire Protection															
7	Public Fire Protection				630	630		5,040	4,410						
8	Total Fire Protection				630	630		5,040	4,410						
9	Total System	790,748	2,166,432		5,773,166	3,606,734		9,241,097	3,467,931	6,091	73,087	7,786	7,784	21,513	21,513,218

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Development of Unit Costs of Service

FILE: rease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_ULTUNITS

Line No.	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total	Base	Extra Capacity		Local Distribution Lines	Customer		Direct Fire Protection
				Maximum Day	Maximum Hour		Meters and Services	Billing/ Customer Service	
		\$	\$	\$	\$	\$	\$	\$	\$
Revenue Requirements - \$									
1	Source of Supply / Water Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Treatment	3,064,563	1,287,117	1,777,447	0	0	0	0	0
3	Storage	209,466	54,461	75,408	79,597	0	0	0	0
4	Transmission	324,846	84,460	116,945	123,441	0	0	0	0
5	Distribution	530,012	74,202	95,402	95,402	265,006	0	0	0
6	Meters and Services	261,905	0	0	0	0	261,905	0	0
7	Customer Accounting and Billing	261,905	0	0	0	0	0	261,905	0
8	Operating Costs	4,652,697	1,500,239	2,065,201	298,441	265,006	261,905	261,905	0
9	Land	0	0	0	0	0	0	0	0
10	Water Supply	0	0	0	0	0	0	0	0
11	Treatment	0	0	0	0	0	0	0	0
12	Constructed Water Lines - Transmission	82,563	21,466	29,723	31,374	0	0	0	0
13	Constructed Water Lines - Distribution	134,708	17,512	24,247	25,595	67,354	0	0	0
14	Meter	30,758	0	0	0	0	30,758	0	0
15	Fire Protection	3,255	0	0	0	0	0	0	3,255
16	General & Admin	17,399	3,836	5,309	4,717	2,350	1,073	0	114
17	Reservoirs / Treated Water Storage	205,858	53,523	74,109	78,226	0	0	0	0
18	Pumping	41,481	17,422	24,059	0	0	0	0	0
19	Miscellaneous Equipment	8,682	1,914	2,649	2,354	1,173	536	0	57
20	Vehicles	13,048	2,877	3,981	3,538	1,763	805	0	85
21	Excluded	0	0	0	0	0	0	0	0
22	TBD	0	0	0	0	0	0	0	0
23	Capital Costs	537,753	118,550	164,077	145,804	72,640	33,171	0	3,510
24	Total Revenue Requirements	5,190,450	1,618,789	2,229,278	444,245	337,646	295,076	261,905	3,510
25	Adjustment to Cost of Service	392,062	120,454	165,897	35,863	29,064	21,422	19,119	244
26	Net Cost of Service	5,582,512	1,739,243	2,395,175	480,108	366,710	316,498	281,024	3,754
27	Units of Service		790,748	3,606,734	3,467,931	7,786	7,784	73,087	21,513
28	Unit Cost of Service		\$2.199	\$0.664	\$0.138	\$47.099	\$40.660	\$3.845	\$0.174

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Distribution of Costs to Customer Classes

FILE: _48pctCityIncrease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_CUST_ALLOC

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Customer Class	Total	Base	Extra Capacity		Customer			Direct Fire Protection
				Maximum Day	Maximum Hour	Local Distribution Lines	Meters and Services	Billing/ Customer Service	
1	Unit Costs of Service - \$/unit		\$2.199	\$0.664	\$0.138	\$47.099	\$40.660	\$3.845	\$0.174
Residential									
2	Units		518,392	2,701,443	2,473,017	5,978	5,976	67,363	
3	Cost of Service - \$	\$4,060,110	\$1,140,199	\$1,793,986	\$342,370	\$281,555	\$242,985	\$259,015	
Commercial									
4	Units		217,027	604,182	719,267	1,673	1,673	5,340	
5	Cost of Service - \$	\$1,145,508	\$477,350	\$401,228	\$99,577	\$78,796	\$68,024	\$20,533	
Irrigation Only									
6	Units		32,262	270,594	215,390	62	62	324	
7	Cost of Service - \$	\$287,163	\$70,960	\$179,697	\$29,819	\$2,920	\$2,521	\$1,246	
Water Resellers									
8	Units		23,066	29,884	55,848	73	73	60	
9	Cost of Service - \$	\$84,949	\$50,734	\$19,846	\$7,732	\$3,438	\$2,968	\$231	
Stand By Private Fire Lines									
10	Units		0	0	0	38	38	720	
11	Cost of Service - \$	\$6,113	\$0	\$0	\$0	\$1,795	\$1,550	\$2,768	
12	Total - \$	\$5,577,730	\$1,739,243	\$2,394,757	\$479,498	\$366,709	\$316,498	\$281,025	\$0
			790,748	3,606,104	3,463,521	7,786	7,784	73,087	

Billings Heights Water District
 Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
 Distribution of Costs to Customer Classes Summary

FILE: _48pctCityIncrease - Final Report.xlsm
 SCHEDULE: COS
 DATE: 07/17/23
 RANGE: COS_CUST_ALLOC_SUM

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Customer Class	Total	Base	Extra Capacity		Customer			Direct Fire Protection
				Maximum Day	Maximum Hour	Local Distribution Lines	Meters and Services	Billing/ Customer Service	
Total Costs									
1	District	\$5,577,730	\$1,739,243	\$2,394,757	\$479,498	\$366,709	\$316,498	\$281,025	\$0
2	Total	\$5,577,730	\$1,739,243	\$2,394,757	\$479,498	\$366,709	\$316,498	\$281,025	\$0
Fire Protection									
3	Units			630	4,410				21,513
4	Cost of Service - \$	\$4,783		\$418	\$611				\$3,754
5	Total Cost of Service	\$5,582,512	\$1,739,243	\$2,395,175	\$480,108	\$366,710	\$316,498	\$281,024	\$3,754

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Cost of Service Adjustments for Fire Protection

FILE: e - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_ADJCOS

		(1)	(2)	(3)	(4)
Line No.	Customer Class	Distributed Cost	Direct Fire Protection Adjustment	Indirect Fire Protection Adjustment	Cost of Service
	District				
1	Residential	\$4,060,110	\$2,855	\$783	\$4,063,748
2	Commercial	1,145,508	792	217	1,146,517
3	Irrigation Only	287,163	0	0	287,163
4	Water Resellers	84,949	0	0	84,949
5	Standby Private Fire Line	6,113	107	29	6,249
6	Total	5,583,843	3,754	1,029	5,588,626
7	Fire Protection	4,783	(3,754)	(1,029)	0
8	Total System	\$5,588,626	\$0	\$0	\$5,588,626

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development
Customer Class Cost of Service

FILE: 25_48pctCityIncrease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_COMPCOS

Line No.	Customer Class	(1)	(2)	(3)
		Test-Year Cost of Service	Test-Year Revenue at Existing Rates	Indicated Revenue Increase
1	Residential	\$4,063,748	\$2,984,954	36.14%
2	Commercial	1,146,517	1,478,863	-22.47%
3	Irrigation Only	287,163	223,564	28.45%
4	Water Resellers	84,949	149,543	-43.19%
5	Standby Fire Protection	6,249	64,195	-90.27%
6	Total	5,588,626	4,901,120	14.03%

Line No.	Customer Class	(1)	(2)	(3)	
		Test-Year Cost of Service	Test-Year Revenue at Existing Rates	Indicated Revenue Increase	
1	Residential	4,063,748	2,984,954	36.14%	1,078,793
2	Commercial	1,152,766	1,543,058	-25.29%	(390,292)
3	Irrigation Only	287,163	223,564	28.45%	63,599
4	Water Resellers	84,949	149,543	-43.19%	(64,594)
5	Total	5,588,626	4,901,120	14.03%	687,506

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Monthly Demand by Class

FILE: se - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_PEAKING

Class	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	FY 19-20 Total
Residential	62,031	86,790	59,482	23,564	19,587	19,777	24,611	22,133	19,716	23,877	40,742	68,248	470,556
Commercial	24,176	26,673	25,161	14,399	12,678	12,199	15,259	13,509	12,145	12,637	15,120	25,146	209,103
Irrigation Only	6,631	8,453	7,008	641	1	0	0	0	0	1	2,857	5,870	31,462
Water Resellers	2,012	2,180	2,140	1,681	1,624	1,573	1,997	1,744	1,679	1,754	1,929	2,439	22,753
Total	94,849	124,096	93,791	40,285	33,890	33,549	41,867	37,387	33,540	38,270	60,647	101,702	733,873

Class	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	FY 20-21 Total
Residential	80,709	110,560	71,300	40,423	20,978	23,090	22,731	23,677	20,335	22,992	33,569	95,866	566,229
Commercial	26,369	32,156	24,424	15,987	13,097	13,678	13,576	14,272	13,378	14,124	15,998	27,893	224,952
Irrigation Only	6,643	9,629	5,973	1,322	0	0	0	0	0	1	2,053	7,440	33,062
Water Resellers	2,392	2,497	2,175	1,874	1,606	1,670	1,843	1,642	1,668	1,712	1,772	2,527	23,379
Total	116,113	154,841	103,871	59,607	35,680	38,438	38,150	39,590	35,381	38,830	53,392	133,727	847,622

Class	Average July	Average August	Average September	Average October	Average November	Average December	Average January	Average February	Average March	Average April	Average May	Average June	Total
Residential	71,370	98,675	65,391	31,993	20,282	21,434	23,671	22,905	20,025	23,434	37,156	82,057	518,392
Commercial	25,272	29,414	24,793	15,193	12,887	12,939	14,417	13,891	12,762	13,381	15,559	26,520	217,027
Irrigation Only	6,637	9,041	6,490	982	1	0	0	0	0	1	2,455	6,655	32,262
Water Resellers	2,202	2,339	2,157	1,778	1,615	1,621	1,920	1,693	1,674	1,733	1,851	2,483	23,066
Total	105,481	139,469	98,831	49,946	34,785	35,994	40,008	38,489	34,461	38,550	57,020	117,715	790,748

Class	Annual Use	Class Average Day	System Average Month Demand	Max Month (Non-Coincidental)	Average Month Use	Peak Month / Average Month	Peak Day Use	Adjustment to Achieve System Peak Day Demand	Adjusted Peak Day Use	Adjustment to Recognize Diversity of Demands	Adjusted Class Peak Day Factors	Adjusted Peak Day Use	Peak Hour Factor	Adjusted Peak Hour Use
Residential	518,392	1,420	65,896	110,560	43,199	2.56	3,635	1.02	3,712	1.00	2.61	3,712	4.18	5,940
Commercial	217,027	595	65,896	32,156	18,086	1.78	1,057	1.02	1,080	1.00	1.82	1,080	2.91	1,728
Irrigation Only	32,262	88	65,896	9,629	2,688	3.58	317	1.02	323	1.00	3.66	323	5.85	517
Water Resellers	23,066	63	65,896	2,497	1,922	1.30	82	1.02	84	1.00	1.33	84	2.12	134
Total	790,748	2,166		154,841	65,896	2.35	5,091		5,199		2.40	5,199	3.84	8,319
System Wide Peak-Day Factor			2.40						2.40					
System Wide Peak Hour Factor			3.84											
System Wide Average Day Demand (kgal)			65,896											
System Wide Peak Day Demands (kgal)			158,150											
System Wide Peak Hour Demands (kgal)			253,039											

Input System Demand Information

1. Enter coincident system demand factors into the HIGHLIGHTED cells below.

System demand factors are used for allocating particular assets and O&M expenses associated with base, max day, and/or max hour demands.

Actual

System Design

Maximum day to average day demand.....

2.35

2.40

Maximum hour to average day demand.....

3.76

3.84

Noncoin-

cidental

Demand

Coincidental

Demand

Diversi-

fication

Factor (a)

Diversification factor

Max. Day to Average Day

2.66

2.35

1.13

Max. Hour to Average Day

4.27

3.76

1.13

(a) Must be greater than 1.0.

System Coincidental Demands (1)

Factor

Allocation

Max Day Extra Capacity

Base

1.00

42.00%

Max Day

1.40

58.00%

2.40

100.00%

Max Hour Extra Capacity

Base

1.00

26.00%

Max Day

1.40

36.00%

Max Hour

1.44

38.00%

3.84

100.00%

2019 & 2020 City and Wholesale Customer Data by Class

Max Month

Avg Month

System Max

System Max

System Max

Max Day

Max Hour

Consumption

Consumption

Day

Hour

Month

To

To

Avg. Day

Avg. Day

Residential

110,560

43,199

158,150

253,039

139,469

2.90

4.64

Commercial

32,156

18,086

158,150

253,039

139,469

2.02

3.23

Irrigation Only

9,629

2,688

158,150

253,039

139,469

4.06

6.50

Water Resellers

2,497

1,922

158,150

253,039

139,469

1.47

2.36

System

0

0

158,150

253,039

139,469

2.40

3.84

Unused

0

0

158,150

253,039

139,469

0.00

0.00

Input Fire Protection Data	
<p>1. Fire protection requirements are used to develop system fire protection requirements as well as customer class fire protection requirements. Customer class fire protection is presented in the following section.</p> <p>2. Based on Insurance Services Office (ISO) guidelines, enter recommended maximum fire flow and flow duration for the utility into the HIGHLIGHTED cells below.</p> <p>Maximum Fire Flow..... 3,500 gpm Fire Duration..... 3 hours</p> <p>3. The input table below documents fire flow requirements and fire duration for each customer class.</p> <p>a. In Columns 1 and 2, enter the maximum needed fire flow and fire duration for each customer class.</p> <p>b. In Columns 3 and 4, assign a one (1) for the customer classes that share expenses for direct and indirect fire protection, respectively. Correspondingly, enter a zero (0) for those that do not participate in direct and/or indirect fire protection.</p> <p><i>Note: Direct fire protection costs primarily include capital and maintenance expenses related to fire hydrants. Indirect fire protection costs primarily include extra capacity costs related to providing needed fire flows.</i></p>	

	(1)	(2)	(3)	(4)
Customer Class	Maximum Needed Fire Flow gpm (1)	Duration hrs. (1)	Direct Fire Participation 1=Yes/0=No	Indirect Fire Participation 1=Yes/0=No
Residential	1,500	2	1	1
Commercial	3,500	3	1	1
Irrigation Only	0	0	0	0
Water Resellers	0	0	0	0
Standby Private Fire Line	3,500	3	1	1
Unused	0	0	0	0
Unused	0	0	0	0
Unused	0	0	0	0
Unused	0	0	0	0
Unused	0	0	0	0
Unused	0	0	0	0

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Development of Fire Protection Cost Allocation Factors

FILE: rease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_FIREUNIT

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Customer Class	Average	Maximum	Duration	Participation		Weighted Fire Protection		Fire Protection Allocation	
		Active	Needed		Direct	Indirect	Units of Service		Direct	Indirect
		Taps	Fire		Fire	Fire	(1 x 2 x 3 x (4 or 5)) * 60			
			gpm	hrs	1=Yes/0=No	1=Yes/0=No	Direct	Indirect		
1	Residential	5,614	1,500	2	1	1	16,840,725	16,840,725	76.1%	76.1%
2	Commercial	445	3,500	3	1	1	4,672,493	4,672,493	21.1%	21.1%
3	Irrigation Only	27	0	0	0	0	0	0	0.0%	0.0%
4	Water Resellers	5	0	0	0	0	0	0	0.0%	0.0%
5	Standby Private Fire Line	60	3,500	3	1	1	630,000	630,000	2.8%	2.8%
6	Total System	6,151					22,143,218	22,143,218		

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Water System Line Feet by Diameter Size (1)

FILE: _48pctCityIncrease - Final Report.xlsm
SCHEDULE: COS
DATE: 07/17/23
RANGE: COS_LINE SIZE

Line No.	Diameter (Inches)	Pipe Length, feet	Inch-Feet	Percent
1	3	101	302	0.01%
2	4	1,595	6,381	0.14%
3	6	214,028	1,284,167	29.00%
4	8	147,058	1,176,468	26.57%
5	10	27,872	278,715	6.30%
6	12	61,111	733,334	16.56%
7	16	11,685	186,964	4.22%
8	18	2,845	51,207	1.16%
9	20	68	1,365	0.03%
10	24	29,524	708,578	16.00%
11	Null	36,273	0	0.00%
12	Total	532,161	4,427,481	100.00%
13	Distribution	Less Than 12"	2,746,034	62.0%
14	Transmission	12" and Greater	1,681,447	38.0%
			4,427,481	100.0%

(1) County Water District of Billings Heights Water Main Inventory Data as of 10/1/2020 provided by District Staff.

APPENDIX C:

**FY 2023-24 WATER RATE
RECOMMENDATIONS**

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - RTS
Proposed

SCHEDULE:
RANGE:

RD1
RD1_FC

Meter Size	Meter Capacity Ratio	Meter Cost Ratio	Monthly M&S	Monthly Billing	Monthly RTS (Distribution Sys.)	Monthly Service Charge	Monthly Minimum	Use Monthly Service Charge
5/8 - Inch	1.00	1.00	\$3.39	\$3.85	3.92	\$11.16	\$0.00	\$21.00
3/4 - Inch	1.00	1.00	3.39	3.85	3.92	11.16	0.00	21.00
1 - Inch	1.67	1.67	5.65	3.85	6.55	16.05	0.00	29.40
1 1/2 - Inch	3.33	3.33	11.30	3.85	13.05	28.20	0.00	52.50
2 - Inch	5.33	5.33	18.08	3.85	20.89	42.82	0.00	79.80
3 - Inch	10.67	10.67	36.16	3.85	41.83	81.84	0.00	153.30
4 - Inch	16.67	16.67	56.50	3.85	65.35	125.70	0.00	153.30
6 - Inch	33.33	33.33	113.00	3.85	130.65	247.50	0.00	466.20
8 - Inch	53.33	53.33	180.80	3.85	209.05	393.70	0.00	741.30

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - Volume Charges
Proposed - Residential

SCHEDULE: RD1
RANGE: RD1_RES

Total Class Cost of Service	\$4,063,748
------------------------------------	--------------------

Meter Sizes	Accounts	Monthly Charge	Revenue
5/8 - Inch	3,572	\$21.00	\$900,091
3/4 - Inch	1,662	21.00	418,762
1 - Inch	348	29.40	122,851
1 1/2 - Inch	24	52.50	14,928
2 - Inch	4	79.80	3,946
3 - Inch	1	153.30	1,840
4 - Inch	3	153.30	5,519
6 - Inch	0	466.20	0
8 - Inch	0	741.30	0
Total	5,614		\$1,467,936

Remainder Recovered from Volume Rate	\$2,595,812
---	--------------------

Tier	3/4-Inch Meter Block Ending	Volume in Tier	Volume Use	Cumulative Factor	Volume Rate	Volume Revenue
First	4,000	41.58%	206,774	1.00	\$3.38	\$698,898
Next	11,000	35.86%	178,364	1.50	5.07	904,308
Next	25,000	19.08%	94,896	2.25	7.61	721,687
All Over	40,000	3.48%	17,296	3.00	10.13	175,206
		100.00%	497,331		5.03	\$2,500,099

Revenue Surplus/(Deficiency)	(\$95,713)
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Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - Volume Charges
Proposed - Commercial

SCHEDULE: RD1
RANGE: RD1_COM

Total Class Cost of Service	\$1,146,517
------------------------------------	--------------------

Meter Sizes	Accounts	Monthly Charge	Revenue
5/8 - Inch	74	\$21.00	\$18,648
3/4 - Inch	83	21.00	20,916
1 - Inch	136	29.40	47,981
1 1/2 - Inch	69	52.50	43,470
2 - Inch	46	79.80	44,050
3 - Inch	8	153.30	14,717
4 - Inch	16	153.30	29,434
6 - Inch	9	466.20	50,350
8 - Inch	3	741.30	26,687
	444		\$296,251

Remainder Recovered from Volume Rate	\$850,266
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Tier	Block Ending	Volume in Tier	Volume Use	Cumulative Factor	Volume Rate	Volume Revenue
All Usage		100.00%	242,652	1.00	\$4.24	\$1,028,844
		100.00%	242,652			\$1,028,844
Revenue Surplus/(Deficiency)						\$178,578

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - Volume Charges
Proposed - Irrigation-Only

SCHEDULE: RD1
RANGE: RD1_IRR

Total Class Cost of Service	\$287,163
------------------------------------	------------------

Meter Sizes	Accounts	Monthly Charge	Revenue
5/8 - Inch	1	\$21.00	\$252
3/4 - Inch	5	21.00	1,260
1 - Inch	20	29.40	7,056
1 1/2 - Inch	20	52.50	12,600
2 - Inch	16	79.80	15,322
3 - Inch	0	153.30	0
4 - Inch	0	153.30	0
6 - Inch	0	466.20	0
8 - Inch	0	741.30	0
8 - Inch	62		\$36,490

Remainder Recovered from Volume Rate	\$250,673
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Tier	Block Ending	Volume in Tier	Volume Use	Cumulative Factor	Volume Rate	Volume Revenue
All Usage		100.00%	36,612	1.00	\$7.00	\$256,287
		100.00%	36,612			\$256,287
Revenue Surplus/(Deficiency)						\$5,614

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - Volume Charges
Proposed - Water Retailers

SCHEDULE: Alt 1
RANGE: RD1_H20

Total Class Cost of Service	\$84,949
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Meter Sizes	Accounts	Monthly Charge	Revenue
5/8 - Inch	0	\$21.00	\$0
3/4 - Inch	0	21.00	0
1 - Inch	1	29.40	353
1 1/2 - Inch	0	52.50	0
2 - Inch	1	79.80	958
3 - Inch	0	153.30	0
4 - Inch	2	153.30	3,679
6 - Inch	1	466.20	5,594
8 - Inch	0	741.30	0
	<u>5</u>		<u>\$10,584</u>

Remainder Recovered from Volume Rate	\$74,365
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Tier	Tier Ending	Volume in Tier	Volume Use	Cumulative Factor	Volume Rate	Volume Revenue
All Usage		100.00%	23,067	1.00	\$4.24	\$97,802
		<u>100.00%</u>	<u>23,067</u>			<u>\$97,802</u>
Revenue Surplus/(Deficiency)						<u><u>\$23,437</u></u>

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates - Volume Charges
Proposed - Stand By Private Fireline

SCHEDULE: RD1
RANGE: RD1_PFL

Total Class Cost of Service	\$6,249
------------------------------------	----------------

Meter Sizes	Accounts	Monthly Charge	Revenue
5/8 - Inch	0	\$0.38	\$0
3/4 - Inch	0	0.38	0
1 - Inch	0	0.63	0
1 1/2 - Inch	2	1.25	30
2 - Inch	7	2.00	168
3 - Inch	0	4.00	0
4 - Inch	35	6.25	2,625
6 - Inch	13	12.50	1,950
8 - Inch	3	20.00	720
	<u>60</u>		<u>\$5,493</u>

Remainder Recovered from Volume Rate	\$756
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Tier	Tier Ending	Volume in Tier	Volume Use	Cumulative Factor	Volume Rate	Volume Revenue
All Usage		100.00%	-	1.00	\$4.24	\$0
		<u>100.00%</u>	<u>-</u>			<u>\$0</u>
Revenue Surplus/(Deficiency)						<u><u>(\$756)</u></u>

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fe
Proposed Water Rates
Summary of Cost of Service vs. Proposed

FILE: AVAZ1807_W
SCHEDULE: RD1
RANGE: RD1_SUM

Line No.	Customer Class	Test Year Cost of Service	FY 2023-24 Revenue Under Proposed	Difference
1	Proposed - Residential	\$4,063,748	\$3,968,035	-2.36%
2	Proposed - Commercial	1,146,517	1,325,095	15.58%
3	Proposed - Irrigation-Only	287,163	292,777	1.95%
4	Proposed - Water Retailers	84,949	108,386	27.59%
5	Proposed - Stand By Private Fireline	6,249	5,493	-12.10%
6	Total	<u>\$5,588,626</u>	<u>\$5,699,785</u>	1.99%
7	Proposed - Residential	\$4,063,748	\$3,968,035	-2.36%
8	Proposed - Non-Residential	1,152,766	1,330,588	15.43%
9	Proposed - Irrigation-Only	287,163	292,777	1.95%
10	Proposed - Water Retailers	84,949	108,386	27.59%
11	Total	<u>\$5,588,626</u>	<u>\$5,699,785</u>	1.99%

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates
Residential 3/4-inch and Smaller Customer Bill Impacts

Description	Current			Proposed FY 2023-24		
	Rate	Min	Max	Rate	Min	Max
Base Fee - 3/4-inch Meter	\$20.74			\$21.00		
Line Charge	1.30			1.30		
Tier 1	0.00	0	3.3	3.38	0	4
Tier 2	4.48	3.3	20	5.07	4	15
Tier 3	5.38	21	50	7.61	15	40
Tier 4	6.48	50		10.13	40	

Water Bill - 3/4-inch Residential Customer Bills Current vs. Proposed Compared

Line No	Monthly Water Usage (KGAL)	Proposed						Avg. Rate per KGAL	
		Bills	Cum. Bills	Current	8/1/2023	Change - \$	Change - %	Current	Proposed
1	0	0.5%	0.5%	\$22.04	\$22.30	\$0.26	1.2%		
2	1	4.8%	5.4%	22.04	25.68	3.64	16.5%	\$22.04	\$25.68
3	2	10.2%	15.6%	22.04	29.06	7.02	31.9%	\$11.02	\$14.53
4	3	14.6%	30.2%	22.04	32.44	10.40	47.2%	\$7.35	\$10.81
5	3.3	4.4%	34.6%	22.04	33.45	11.41	51.8%	\$6.68	\$10.14
6	4	11.1%	45.7%	25.18	35.82	10.64	42.3%	\$6.29	\$8.96
7	5	10.9%	56.7%	29.66	40.89	11.23	37.9%	\$5.93	\$8.18
8	6	7.5%	64.1%	34.14	45.96	11.82	34.6%	\$5.69	\$7.66
9	7	5.1%	69.2%	38.62	51.03	12.41	32.1%	\$5.52	\$7.29
10	8	3.7%	72.9%	43.10	56.10	13.00	30.2%	\$5.39	\$7.01
11	9	2.9%	75.8%	47.58	61.17	13.59	28.6%	\$5.29	\$6.80
12	10	2.3%	78.1%	52.06	66.24	14.18	27.2%	\$5.21	\$6.62
13	11	1.9%	80.0%	56.54	71.31	14.77	26.1%	\$5.14	\$6.48
14	12	1.6%	81.6%	61.02	76.38	15.36	25.2%	\$5.08	\$6.37
15	13	1.4%	83.0%	65.50	81.45	15.95	24.4%	\$5.04	\$6.27
16	14	1.3%	84.3%	69.98	86.52	16.54	23.6%	\$5.00	\$6.18
17	15	1.2%	85.5%	74.46	91.59	17.13	23.0%	\$4.96	\$6.11
18	16	1.1%	86.6%	78.94	99.20	20.26	25.7%	\$4.93	\$6.20
19	17	0.9%	87.6%	83.42	106.80	23.38	28.0%	\$4.91	\$6.28
20	18	0.9%	88.5%	87.90	114.41	26.51	30.2%	\$4.88	\$6.36
21	19	0.9%	89.4%	92.38	122.01	29.63	32.1%	\$4.86	\$6.42
22	20	0.9%	90.2%	96.86	129.62	32.76	33.8%	\$4.84	\$6.48
23	21	0.8%	91.0%	102.24	137.22	34.98	34.2%	\$4.87	\$6.53
24	22	0.7%	91.7%	107.62	144.83	37.21	34.6%	\$4.89	\$6.58
25	23	0.7%	92.4%	113.00	152.43	39.43	34.9%	\$4.91	\$6.63
26	24	0.6%	92.9%	118.38	160.04	41.66	35.2%	\$4.93	\$6.67
27	25	0.6%	93.5%	123.76	167.64	43.88	35.5%	\$4.95	\$6.71
28	26	0.5%	94.0%	129.14	175.25	46.11	35.7%	\$4.97	\$6.74
29	27	0.5%	94.5%	134.52	182.85	48.33	35.9%	\$4.98	\$6.77
30	28	0.5%	94.9%	139.90	190.46	50.56	36.1%	\$5.00	\$6.80
31	29	0.4%	95.3%	145.28	198.06	52.78	36.3%	\$5.01	\$6.83
32	30	0.3%	95.7%	150.66	205.67	55.01	36.5%	\$5.02	\$6.86

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development Fee Study
Proposed Water Rates
Commercial 1-inch Customer Bill Impacts

Description	Current			Proposed		
	Rate	Min	Max	Rate	Min	Max
Base Fee - 3/4-inch Meter	\$22.30			\$29.40		
Line Charge	1.30			1.30		
Tier 1	0.00	0	3.3	4.24	0	3.3
Tier 2	4.48	3.3	20	4.24	3.3	20
Tier 3	5.38	21	50	4.24	21	50
Tier 4	6.48	50		4.24	50	

Water Bill - 1-inch Commercial Customer Bills Current vs. Proposed Compared

Line No	Monthly Water Usage (KGAL)	Bills	Cum. Bills	Current	Proposed			Avg. Rate per KGAL	
					8/1/2023	Change - \$	Change - %	Current	Proposed
1	0	0.2%	0.2%	\$23.60	\$30.70	\$7.10	30.1%		
2	1	5.7%	5.9%	23.60	34.94	11.34	48.1%	\$23.60	\$34.94
3	2	4.4%	10.3%	23.60	39.18	15.58	66.0%	\$11.80	\$19.59
4	3	3.1%	13.4%	23.60	43.42	19.82	84.0%	\$7.87	\$14.47
5	3.3	0.5%	13.9%	23.60	44.69	21.09	89.4%	\$7.15	\$13.54
6	4	1.7%	15.7%	26.74	47.66	20.92	78.3%	\$6.68	\$11.92
7	5	3.2%	18.9%	31.22	51.90	20.68	66.3%	\$6.24	\$10.38
8	6	3.7%	22.6%	35.70	56.14	20.44	57.3%	\$5.95	\$9.36
9	7	3.5%	26.1%	40.18	60.38	20.20	50.3%	\$5.74	\$8.63
10	8	4.1%	30.2%	44.66	64.62	19.96	44.7%	\$5.58	\$8.08
11	9	4.4%	34.6%	49.14	68.86	19.72	40.1%	\$5.46	\$7.65
12	10	4.0%	38.6%	53.62	73.10	19.48	36.3%	\$5.36	\$7.31
13	11	2.5%	41.0%	58.10	77.34	19.24	33.1%	\$5.28	\$7.03
14	12	2.9%	43.9%	62.58	81.58	19.00	30.4%	\$5.21	\$6.80
15	13	2.8%	46.7%	67.06	85.82	18.76	28.0%	\$5.16	\$6.60
16	14	2.4%	49.0%	71.54	90.06	18.52	25.9%	\$5.11	\$6.43
17	15	2.4%	51.4%	76.02	94.30	18.28	24.1%	\$5.07	\$6.29
18	16	2.0%	53.5%	80.50	98.54	18.04	22.4%	\$5.03	\$6.16
19	17	2.2%	55.6%	84.98	102.78	17.80	21.0%	\$5.00	\$6.05
20	18	1.9%	57.5%	89.46	107.02	17.56	19.6%	\$4.97	\$5.95
21	19	1.9%	59.5%	93.94	111.26	17.32	18.4%	\$4.94	\$5.86
22	20	1.9%	61.4%	98.42	115.50	17.08	17.4%	\$4.92	\$5.78
23	21	1.6%	63.0%	103.80	119.74	15.94	15.4%	\$4.94	\$5.70
24	22	1.3%	64.3%	109.18	123.98	14.80	13.6%	\$4.96	\$5.64
25	23	1.6%	65.9%	114.56	128.22	13.66	11.9%	\$4.98	\$5.57
26	24	1.4%	67.4%	119.94	132.46	12.52	10.4%	\$5.00	\$5.52
27	25	1.2%	68.6%	125.32	136.70	11.38	9.1%	\$5.01	\$5.47
28	26	1.0%	69.6%	130.70	140.94	10.24	7.8%	\$5.03	\$5.42
29	27	1.2%	70.8%	136.08	145.18	9.10	6.7%	\$5.04	\$5.38
30	28	1.1%	71.9%	141.46	149.42	7.96	5.6%	\$5.05	\$5.34
31	29	0.9%	72.7%	146.84	153.66	6.82	4.6%	\$5.06	\$5.30
32	30	1.1%	73.9%	152.22	157.90	5.68	3.7%	\$5.07	\$5.26
33	31	0.9%	74.8%	157.60	162.14	4.54	2.9%	\$5.08	\$5.23
34	32	0.8%	75.6%	162.98	166.38	3.40	2.1%	\$5.09	\$5.20
35	33	1.1%	76.7%	168.36	170.62	2.26	1.3%	\$5.10	\$5.17
36	34	0.8%	77.6%	173.74	174.86	1.12	0.6%	\$5.11	\$5.14
37	35	0.8%	78.3%	179.12	179.10	(0.02)	0.0%	\$5.12	\$5.12
38	36	0.6%	78.9%	184.50	183.34	(1.16)	-0.6%	\$5.12	\$5.09
39	37	0.5%	79.4%	189.88	187.58	(2.30)	-1.2%	\$5.13	\$5.07
40	38	0.8%	80.2%	195.26	191.82	(3.44)	-1.8%	\$5.14	\$5.05
41	39	0.8%	81.0%	200.64	196.06	(4.58)	-2.3%	\$5.14	\$5.03
42	40	0.7%	81.7%	206.02	200.30	(5.72)	-2.8%	\$5.15	\$5.01
43	41	0.7%	82.4%	211.40	204.54	(6.86)	-3.2%	\$5.16	\$4.99
44	42	0.7%	83.1%	216.78	208.78	(8.00)	-3.7%	\$5.16	\$4.97
45	43	0.4%	83.5%	222.16	213.02	(9.14)	-4.1%	\$5.17	\$4.95
46	44	0.5%	84.0%	227.54	217.26	(10.28)	-4.5%	\$5.17	\$4.94
47	45	0.4%	84.5%	232.92	221.50	(11.42)	-4.9%	\$5.18	\$4.92
48	46	0.4%	84.9%	238.30	225.74	(12.56)	-5.3%	\$5.18	\$4.91
49	47	0.3%	85.2%	243.68	229.98	(13.70)	-5.6%	\$5.18	\$4.89
50	48	0.4%	85.5%	249.06	234.22	(14.84)	-6.0%	\$5.19	\$4.88
51	49	0.4%	85.9%	254.44	238.46	(15.98)	-6.3%	\$5.19	\$4.87
52	50	0.5%	86.4%	259.82	242.70	(17.12)	-6.6%	\$5.20	\$4.85

Billings Heights Water District
Water Financial Plan, Cost of Service, Rate, and System Development
Proposed Water Rates
Irrigation-Only 1-inch Customer Bill Impacts

FILE: 1807_W
SCHEDULE: Prop
RANGE: BI_IRR

Description	Current			Alt. 1 - Effective 8/1/23		
	Rate	Min	Max	Rate	Min	Max
Base Fee - 3/4-inch Meter	\$22.30			\$29.40		
Line Charge	1.30			1.30		
Tier 1	0.00	0	3.3	7.00	0	4
Tier 2	4.48	3.3	20	7.00	4	15
Tier 3	5.38	21	50	7.00	15	40
Tier 4	6.48	50		7.00	40	

Water Bill - 1-inch Irrigation Only Customer Bills Compared to Proposed

Proposed						
Line No	Monthly Water Usage	Bills	Current	8/1/2023	Change - \$	Change - %
1	0	0.2%	\$23.60	\$30.70	\$7.10	30.1%
2	1	5.7%	23.60	37.70	14.10	59.7%
3	2	4.4%	23.60	44.70	21.10	89.4%
4	3	3.1%	23.60	51.70	28.10	119.1%
5	3.3	0.5%	23.60	53.80	30.20	128.0%
6	4	1.7%	26.74	58.70	31.96	119.6%
7	5	3.2%	31.22	65.70	34.48	110.5%
8	6	3.7%	35.70	72.70	37.00	103.7%
9	7	3.5%	40.18	79.70	39.52	98.4%
10	8	4.1%	44.66	86.70	42.04	94.2%
11	9	4.4%	49.14	93.70	44.56	90.7%
12	10	4.0%	53.62	100.70	47.08	87.8%
13	11	2.5%	58.10	107.70	49.60	85.4%
14	12	2.9%	62.58	114.70	52.12	83.3%
15	13	2.8%	67.06	121.70	54.64	81.5%
16	14	2.4%	71.54	128.70	57.16	79.9%
17	15	2.4%	76.02	135.70	59.68	78.5%
18	16	2.0%	80.50	142.70	62.20	77.3%
19	17	2.2%	84.98	149.70	64.72	76.2%
20	18	1.9%	89.46	156.70	67.24	75.2%
21	19	1.9%	93.94	163.70	69.76	74.3%
22	20	1.9%	98.42	170.70	72.28	73.4%
23	21	1.6%	103.80	177.70	73.90	71.2%
24	22	1.3%	109.18	184.70	75.52	69.2%
25	23	1.6%	114.56	191.70	77.14	67.3%
26	24	1.4%	119.94	198.70	78.76	65.7%
27	25	1.2%	125.32	205.70	80.38	64.1%
28	26	1.0%	130.70	212.70	82.00	62.7%
29	27	1.2%	136.08	219.70	83.62	61.5%
30	28	1.1%	141.46	226.70	85.24	60.3%
31	29	0.9%	146.84	233.70	86.86	59.2%
32	30	1.1%	152.22	240.70	88.48	58.1%
33	31	0.9%	157.60	247.70	90.10	57.2%
34	32	0.8%	162.98	254.70	91.72	56.3%
35	33	1.1%	168.36	261.70	93.34	55.4%
36	34	0.8%	173.74	268.70	94.96	54.7%
37	35	0.8%	179.12	275.70	96.58	53.9%
38	36	0.6%	184.50	282.70	98.20	53.2%
39	37	0.5%	189.88	289.70	99.82	52.6%
40	38	0.8%	195.26	296.70	101.44	52.0%
41	39	0.8%	200.64	303.70	103.06	51.4%
42	40	0.7%	206.02	310.70	104.68	50.8%
43	41	0.7%	211.40	317.70	106.30	50.3%
44	42	0.7%	216.78	324.70	107.92	49.8%
45	43	0.4%	222.16	331.70	109.54	49.3%
46	44	0.5%	227.54	338.70	111.16	48.9%
47	45	0.4%	232.92	345.70	112.78	48.4%
48	46	0.4%	238.30	352.70	114.40	48.0%
49	47	0.3%	243.68	359.70	116.02	47.6%
50	48	0.4%	249.06	366.70	117.64	47.2%
51	49	0.4%	254.44	373.70	119.26	46.9%
52	50	0.5%	259.82	380.70	120.88	46.5%
62	60	0.0%	313.62	450.70	137.08	43.7%
72	70	0.0%	367.42	520.70	153.28	41.7%
73	80	0.0%	421.22	590.70	169.48	40.2%
74	90	0.0%	475.02	660.70	185.68	39.1%
75	100	0.0%	528.82	730.70	201.88	38.2%

APPENDIX D:

WATER SDF CALCULATIONS

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Incremental

Line No	Description	Calculation
1	Growth-Related CIP FY 2022-23 through FY 2031-32	\$20,044,464
2	NPV of Borrowing Cost of Future Debt	6,214,943
3	Total Cost For PIF Calculation	\$26,259,407
4	Reservoir Capacity (Gallons per Day or GPD) (1)	3,000,000
5	Unit Cost per GPD	\$8.75
6	GPD/EQR (2)	560
7	\$/EQR	\$4,902

(1) Per District staff and District engineering consultant.

(2) FY 2019-20 Annual Water Use Per EQR per Day times Peak Day Design Value of 2.40 times average day demands.

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Comparison of Existing and SDF

Line No.	Meter Size	Proposed Fee by Meter Size (1)
1	3/4-inch and less	\$4,900
2	1-inch	8,167
3	1 1/2-inch	16,333
4	2-inch	26,133
5	3-inch	52,267
6	4-inch	81,667
7	6-inch	163,333
8	8-inch	261,333

(1) Proposed fee with 7.6% inflationary adjustment from 2022 to 7/1/23 effective date.

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
Water 10-Yr Capital Improvement Plan (Uninflated as of 1Q 2022)

Line No.	Project ID	Project Description	Growth Related	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total	2022-2032 PIF Eligible
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	CIP-01	Northwest Transmission Main	90%	\$970,000	\$2,539,723	\$7,514,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,023,831	\$9,921,448
2	CIP-02	Bitterroot Loop Across Highway 312	80%	0	0	0	0	0	260,876	2,928,420	0	0	0	3,189,296	2,551,437
3	CIP-03	Bitterroot from Barrett to Mary	50%	0	0	0	124,670	1,351,922	0	0	0	0	0	1,476,592	738,296
4	CIP-04	Reservoir Management System	0%	0	0	97,270	1,074,080	0	0	0	0	0	0	1,171,350	0
5	CIP-05	Assess Condition of Existing Pipelines	0%	0	0	179,950	0	0	0	0	0	0	0	179,950	0
6	CIP-06	Aging Watermain Replacement Program	0%	0	0	0	0	0	652,190	642,600	633,080	623,490	613,970	3,165,330	0
7	CIP-07	Dedicated Fill Line for Lanier Reservoir	0%	0	0	0	0	548,332	0	0	0	0	0	548,332	0
8	CIP-08	Ultrasonic Meters at Hilltop & Lanier	0%	0	0	0	0	0	0	100,980	0	0	0	100,980	0
9	CIP-09	Update GIS Attributes	0%	0	0	0	0	122,902	0	0	0	0	0	122,902	0
10	CIP-10	GIS: Digital Workflows	20%	0	0	0	0	0	0	119,340	0	0	0	119,340	23,868
11	CIP-11	GIS Support/Data Workflow Maintenances	20%	0	0	0	0	0	0	0	0	489,885	0	489,885	97,977
12	CIP-12	Emergency Generation	0%	0	0	0	0	0	60,561	0	0	0	0	60,561	0
13	CIP-13	Equipment Storage Building	80%	0	0	0	0	709,050	0	0	0	0	0	709,050	567,240
14	CIP-14	Cold-Storage Yard at Ox Bow Tank Site	80%	0	0	58,362	0	0	0	0	0	0	0	58,362	46,690
15	CIP-15	Shop Addition with 2-Ton Bridge Crane	80%	0	0	0	0	0	0	0	271,320	0	0	271,320	217,056
16	CIP-16	5 Year Update to CIP	70%	0	0	0	0	0	69,878	0	0	0	0	69,878	48,915
17	CIP-17	Rate Study	50%	0	0	0	0	113,448	0	0	0	0	0	113,448	56,724
18	CIP-18	Comprehensive Water System PER	60%	180,000	0	0	0	0	0	0	0	0	0	180,000	108,000
19	CIP-19	Billings Bypass Planning Area Study	100%	0	0	68,089	0	0	0	0	0	0	0	68,089	68,089
20	CIP-20	Intake and WTP Due-Diligence Study	70%	0	73,973	0	0	0	0	0	0	0	0	73,973	51,781
21	CIP-21	4MG Ox Bow II Reservoir	100%	0	0	0	0	0	0	0	0	240,489	5,306,455	5,546,944	5,546,944
22	Total Water Capital Improvement Plan (Inflated)			<u>\$1,150,000</u>	<u>\$2,613,696</u>	<u>\$7,917,779</u>	<u>\$1,198,750</u>	<u>\$2,845,654</u>	<u>\$1,043,505</u>	<u>\$3,791,340</u>	<u>\$904,400</u>	<u>\$1,353,864</u>	<u>\$5,920,425</u>	<u>\$28,739,413</u>	<u>\$20,044,464</u>

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Reservoir Tank Capacity In Gallons Per Day

Line No	Description	Functional Capacity (1)	Tank Capacity	Percent of Tank Capacity
Existing Reservoir Capacity (GPD)				
1	Hilltop	1,428,000	2,000,000	71.40%
2	Lanier	1,473,000	2,000,000	73.65%
3	Oxbow	1,777,000	4,000,000	44.43%
4	Total Existing	4,678,000	8,000,000	58.48%
Future Reservoir Capacity				
5	4MG Ox Bow II Reservoir	3,000,000	4,000,000	75.00%
6	Total Future Reservoir Capacity	3,000,000	4,000,000	75.00%
7				
8	Total Existing and Future	7,678,000	12,000,000	63.98%

(1) Per District staff and District engineering consultant.

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Future Wastewater Debt Inputs

Line No	Bond Name	Average Borrowing Rate	Loan Term	Debt Issue Amount	Year of Issue	Total NPV of Interest	% Growth	Growth Portion NPV of Interest
1	Series FY 2023-24 & FY 2024-25	2.50%	30	\$10,200,000	2024	\$3,236,208	90%	\$2,912,587
2	Series FY 2025-26	3.00%	30	0	2025	0	0%	0
3	Series FY 2026-27	5.00%	30	2,500,000	2026	1,172,267	50%	586,134
4	Series FY 2028-29	5.00%	30	2,800,000	2028	1,190,874	80%	952,699
5	Series FY 2031-32	5.00%	30	4,800,000	2031	1,763,523	100%	1,763,523
6	Total			\$20,300,000		\$7,362,872		\$6,214,943

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Series FY 2023-24 & FY 2024-25

Line No	Description	Summary
1	Borrowing Rate	2.50%
2	Principal Amount	\$10,200,000
3	Year of Issue	2024
4	Loan Term	30
5	Annual Payment	\$487,332
6	Discount Rate	2.50%
7	NPV of Interest Payments	\$3,236,208

		EOY Principal			
	FY	Balance	Principal	Interest	Total
8	FY 2022-23		\$0	\$0	\$0
9	FY 2023-24	10,200,000	0	0	0
10	FY 2024-25	9,967,668	232,332	255,000	487,332
11	FY 2025-26	9,729,528	238,140	249,192	487,332
12	FY 2026-27	9,485,434	244,094	243,238	487,332
13	FY 2027-28	9,235,238	250,196	237,136	487,332
14	FY 2028-29	8,978,787	256,451	230,881	487,332
15	FY 2029-30	8,715,925	262,862	224,470	487,332
16	FY 2030-31	8,446,491	269,434	217,898	487,332
17	FY 2031-32	8,170,321	276,170	211,162	487,332
18	FY 2032-33	7,887,247	283,074	204,258	487,332
19	FY 2033-34	7,597,097	290,151	197,181	487,332
20	FY 2034-35	7,299,692	297,405	189,927	487,332
21	FY 2035-36	6,994,852	304,840	182,492	487,332
22	FY 2036-37	6,682,392	312,461	174,871	487,332
23	FY 2037-38	6,362,120	320,272	167,060	487,332
24	FY 2038-39	6,033,841	328,279	159,053	487,332
25	FY 2039-40	5,697,355	336,486	150,846	487,332
26	FY 2040-41	5,352,457	344,898	142,434	487,332
27	FY 2041-42	4,998,936	353,521	133,811	487,332
28	FY 2042-43	4,636,578	362,359	124,973	487,332
29	FY 2043-44	4,265,160	371,417	115,914	487,332
30	FY 2044-45	3,884,457	380,703	106,629	487,332
31	FY 2045-46	3,494,237	390,221	97,111	487,332
32	FY 2046-47	3,094,261	399,976	87,356	487,332
33	FY 2047-48	2,684,285	409,975	77,357	487,332
34	FY 2048-49	2,264,061	420,225	67,107	487,332
35	FY 2049-50	1,833,330	430,730	56,602	487,332
36	FY 2050-51	1,391,831	441,499	45,833	487,332
37	FY 2051-52	939,295	452,536	34,796	487,332
38	FY 2052-53	475,446	463,850	23,482	487,332
39	FY 2053-54	0	475,446	11,886	487,332
40	Total		\$10,200,000	\$4,419,958	\$14,619,958

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Series FY 2026-27

Line No	Description	Summary
1	Borrowing Rate	5.00%
2	Principal Amount	\$2,500,000
3	Year of Issue	2026
4	Loan Term	30
5	Annual Payment	\$162,629
6	Discount Rate	5.00%
7	NPV of Interest Payments	\$1,172,267

		EOY Principal			
	FY	Balance	Principal	Interest	Total
8	FY 2022-23		\$0	\$0	\$0
9	FY 2023-24		0	0	0
10	FY 2024-25		0	0	0
11	FY 2025-26	2,500,000	0	0	0
12	FY 2026-27	2,462,371	37,629	125,000	162,629
13	FY 2027-28	2,422,861	39,510	123,119	162,629
14	FY 2028-29	2,381,376	41,486	121,143	162,629
15	FY 2029-30	2,337,816	43,560	119,069	162,629
16	FY 2030-31	2,292,078	45,738	116,891	162,629
17	FY 2031-32	2,244,054	48,025	114,604	162,629
18	FY 2032-33	2,193,628	50,426	112,203	162,629
19	FY 2033-34	2,140,681	52,947	109,681	162,629
20	FY 2034-35	2,085,086	55,595	107,034	162,629
21	FY 2035-36	2,026,712	58,374	104,254	162,629
22	FY 2036-37	1,965,419	61,293	101,336	162,629
23	FY 2037-38	1,901,061	64,358	98,271	162,629
24	FY 2038-39	1,833,485	67,576	95,053	162,629
25	FY 2039-40	1,762,531	70,954	91,674	162,629
26	FY 2040-41	1,688,029	74,502	88,127	162,629
27	FY 2041-42	1,609,802	78,227	84,401	162,629
28	FY 2042-43	1,527,664	82,138	80,490	162,629
29	FY 2043-44	1,441,418	86,245	76,383	162,629
30	FY 2044-45	1,350,860	90,558	72,071	162,629
31	FY 2045-46	1,255,775	95,086	67,543	162,629
32	FY 2046-47	1,155,935	99,840	62,789	162,629
33	FY 2047-48	1,051,103	104,832	57,797	162,629
34	FY 2048-49	941,030	110,073	52,555	162,629
35	FY 2049-50	825,453	115,577	47,051	162,629
36	FY 2050-51	704,097	121,356	41,273	162,629
37	FY 2051-52	576,673	127,424	35,205	162,629
38	FY 2052-53	442,878	133,795	28,834	162,629
39	FY 2053-54	302,393	140,485	22,144	162,629
40	FY 2054-55	154,884	147,509	15,120	162,629
41	FY 2055-56	0	154,884	7,744	162,629
42	Total		\$2,500,000	\$2,378,858	\$4,878,858

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Series FY 2028-29

Line No	Description	Summary
1	Borrowing Rate	5.00%
2	Principal Amount	\$2,800,000
3	Year of Issue	2028
4	Loan Term	30
5	Annual Payment	\$182,144
6	Discount Rate	5.00%
7	NPV of Interest Payments	\$1,190,874

		EOY Principal		
	FY	Balance	Principal	Interest
				Total
8	FY 2022-23		\$0	\$0
9	FY 2023-24		0	0
10	FY 2024-25		0	0
11	FY 2025-26		0	0
12	FY 2026-27		0	0
13	FY 2027-28	2,800,000	0	0
14	FY 2028-29	2,757,856	42,144	140,000
15	FY 2029-30	2,713,605	44,251	137,893
16	FY 2030-31	2,667,141	46,464	135,680
17	FY 2031-32	2,618,354	48,787	133,357
18	FY 2032-33	2,567,128	51,226	130,918
19	FY 2033-34	2,513,340	53,788	128,356
20	FY 2034-35	2,456,863	56,477	125,667
21	FY 2035-36	2,397,562	59,301	122,843
22	FY 2036-37	2,335,296	62,266	119,878
23	FY 2037-38	2,269,917	65,379	116,765
24	FY 2038-39	2,201,269	68,648	113,496
25	FY 2039-40	2,129,188	72,081	110,063
26	FY 2040-41	2,053,504	75,685	106,459
27	FY 2041-42	1,974,035	79,469	102,675
28	FY 2042-43	1,890,593	83,442	98,702
29	FY 2043-44	1,802,978	87,614	94,530
30	FY 2044-45	1,710,983	91,995	90,149
31	FY 2045-46	1,614,388	96,595	85,549
32	FY 2046-47	1,512,964	101,425	80,719
33	FY 2047-48	1,406,468	106,496	75,648
34	FY 2048-49	1,294,647	111,821	70,323
35	FY 2049-50	1,177,236	117,412	64,732
36	FY 2050-51	1,053,953	123,282	58,862
37	FY 2051-52	924,507	129,446	52,698
38	FY 2052-53	788,588	135,919	46,225
39	FY 2053-54	645,874	142,715	39,429
40	FY 2054-55	496,023	149,850	32,294
41	FY 2055-56	338,680	157,343	24,801
42	FY 2056-57	173,470	165,210	16,934
43	FY 2057-58	0	173,470	8,674
44	Total		\$2,800,000	\$2,664,321
				\$5,464,321

County Water District of Billings Heights
Water Financial Plan, CIP, Rate, and System Development Fee Study
PIF Calculation
Series FY 2031-32

Line No	Description	Summary
1	Borrowing Rate	5.00%
2	Principal Amount	\$4,800,000
3	Year of Issue	2031
4	Loan Term	30
5	Annual Payment	\$312,247
6	Discount Rate	5.00%
7	NPV of Interest Payments	\$1,763,523

	FY	EOY Principal Balance	Principal	Interest	Total
8	FY 2022-23		\$0	\$0	\$0
9	FY 2023-24		0	0	0
10	FY 2024-25		0	0	0
11	FY 2025-26		0	0	0
12	FY 2026-27		0	0	0
13	FY 2027-28		0	0	0
14	FY 2028-29		0	0	0
15	FY 2029-30		0	0	0
16	FY 2030-31	4,800,000	0	0	0
17	FY 2031-32	4,727,753	72,247	240,000	312,247
18	FY 2032-33	4,651,894	75,859	236,388	312,247
19	FY 2033-34	4,572,242	79,652	232,595	312,247
20	FY 2034-35	4,488,607	83,635	228,612	312,247
21	FY 2035-36	4,400,790	87,817	224,430	312,247
22	FY 2036-37	4,308,583	92,207	220,040	312,247
23	FY 2037-38	4,211,765	96,818	215,429	312,247
24	FY 2038-39	4,110,107	101,659	210,588	312,247
25	FY 2039-40	4,003,365	106,742	205,505	312,247
26	FY 2040-41	3,891,286	112,079	200,168	312,247
27	FY 2041-42	3,773,604	117,683	194,564	312,247
28	FY 2042-43	3,650,037	123,567	188,680	312,247
29	FY 2043-44	3,520,292	129,745	182,502	312,247
30	FY 2044-45	3,384,060	136,232	176,015	312,247
31	FY 2045-46	3,241,016	143,044	169,203	312,247
32	FY 2046-47	3,090,820	150,196	162,051	312,247
33	FY 2047-48	2,933,114	157,706	154,541	312,247
34	FY 2048-49	2,767,523	165,591	146,656	312,247
35	FY 2049-50	2,593,652	173,871	138,376	312,247
36	FY 2050-51	2,411,088	182,564	129,683	312,247
37	FY 2051-52	2,219,395	191,693	120,554	312,247
38	FY 2052-53	2,018,118	201,277	110,970	312,247
39	FY 2053-54	1,806,777	211,341	100,906	312,247
40	FY 2054-55	1,584,869	221,908	90,339	312,247
41	FY 2055-56	1,351,866	233,003	79,243	312,247
42	FY 2056-57	1,107,212	244,654	67,593	312,247
43	FY 2057-58	850,326	256,886	55,361	312,247
44	FY 2058-59	580,595	269,731	42,516	312,247
45	FY 2059-60	297,378	283,217	29,030	312,247
46	FY 2060-61	809,834	297,378	14,869	312,247
47	Total		\$4,800,000	\$4,567,407	\$9,367,407

TRUSTEE AND MANAGER POLICIES

PART I. General Provisions

Section 1.01 Purpose. The purpose of this policy is to establish the rules of procedure for the conduct of meetings and the transaction of business by the County Water District of Billings Heights. These rules of procedure are intended to assure that the Board can accomplish its work efficiently, in full view of the public and with reasonable opportunity for the public to participate in the deliberations and decisions of its county government.

Section 1.02 Authority. These rules of procedure are pursuant to Montana statutory and regulatory law.

PART II. Public Participation

Section 2.01 Policy. It is the policy of County Water District of Billings Heights Board that the public shall be afforded reasonable opportunity to participate in the operation of Board prior to the final decision of the Board concerning any matter of significant interest to the public. A matter of significant interest to the public includes but is not limited to any matter:

1. Requiring a public hearing;
2. Adopting. Implementing, interpreting, prescribing or altering a rate, rule or policy of the District;
3. Relating to the budgetary and financial affairs of the District.

Section 2.02 Open Meetings. A meeting of District Board of Directors is convened whenever quorums of Board members hear, discuss or act upon any matter over which they have jurisdiction. All meetings of the District Board shall be open to the public. However the presiding officer of the Board may close any meeting during the time the discussion relates to a matter of individual privacy and then if an only if the presiding officer determines that the demands of individual privacy clearly exceed the merits of public disclosure. The right of individual privacy may be waived by the individual about whom the discussion pertains and in that event, the meeting must be open as it relates to that individual.

Section 2.03 Notice. The District Board shall give timely notice of any public hearing or any meeting to discuss or act upon any matter of significant interest to the public, as prescribed by law. Additionally, the agenda of all scheduled meetings of the District Board shall be posted on the website not later than 48 hours (change to close of Business on 5th business day) prior to the meeting. Add: Amendments to the agenda can be made until close of business 3 business days prior to meeting

Section 2.03 (change to 2.04) Public Posting Board. The Board of the County Water District of Billings Heights designates as its official posting place the website for the District.

PART II (change to III). Procedures.

Section 3.01 Meetings The Board of Directors shall meet on a regular basis and may hold special meetings to conduct the affairs of the District. Committees of the Board may meet on a regular basis and may hold special meetings. All meetings of the Board shall be open to the public and subject to the a general rule no matter of significant interest to the public should be decided upon without prior notice to the public as a scheduled Board agenda item.

A meeting of the Board is defined as the convening of a quorum of the Board either in person or by means of electronic equipment to hear, discuss, or act upon a matter over which the Board has supervision, control, jurisdiction, or advisory power. A quorum is represented by a majority of the total members of the Board or committee in attendance.

Special meetings of the Board of Directors may be called by the President, or in his absence the Vice President, or by a quorum of the members of the board.

Official action at Board meetings can only occur with a quorum of Directors present. Minutes of all meetings required by statute Montana law to be open, fully reflective of all business transacted at the meeting, shall be kept and (Add: available no later than 21 days after the meeting is adjourned and) shall be available for inspection by the public. ADD All amendments to minutes must be sent to secretary by noon of 3rd business day before the next meeting.

Section 3.02 Agenda Preparation. Proposed resolutions, reports, recommendations, contracts and all other matters requiring consideration, discussion or decision by the Board shall be submitted to the President of the Board and to the Recording Secretary of the Board by 12:00 noon on the Friday immediately preceding the next regularly scheduled meeting of the Board. The President or his/her designated representative shall arrange the matters requiring discussion or action into an agenda according to the order of business specified herein. Copies of the agenda shall be provided to each member of the Board not later than 48 hours (change to: at end of business 5 business days) prior to the scheduled meeting. Copies of the agenda shall be readily available to the press and to the public at large and one copy shall be posted on the designated public posting board not later than 48 hours prior to the scheduled meeting.

Section 3.03 Order of Business. The presiding officer shall prepare the agenda in substantially the following form which may be altered by consent of the Board:

1. Call the Meeting to Order
2. Welcome and Introduction of guests
3. President's Remarks
4. Public Comment on anything not on the agenda but within the jurisdiction of the Board.
5. Add: Approval of the minutes
6. Consent Agenda

** Consent Items are those upon which the presiding officer anticipates no discussion should be necessary. However, at the beginning of each meeting any Board member may request one or more items to be removed from the consent agenda for the purpose of discussion prior to a separate vote on

the item(s). The presiding officer shall schedule such discussion and vote immediately following adoption of consent agenda.

6. (change to 7.) Manager's Report.
7. (change to 8.) Assistant Manager's Report
8. (change to 9.) Committee Reports
9. (change to 10.) Old Business
10. (change to 11.) New Business
11. (change to 12.) Items to be Scheduled for Future Board Meeting:

**An item that is not scheduled on the agenda for the current meeting may be discussed during the session at the discretion of the Board. However, the purpose of such discussion shall be to decide whether or not to schedule the item for discussion and/or vote on a subsequent agenda. As a general rule no matter of significant interest to the public should be decided upon without prior notice to the public as a scheduled Board agenda item.

12. (change to 13.) Adjournment

PART IV. Rules of Board Participation.

Section 4.01 Policy. To provide for the effective participation by all members of the District Board and to protect the right of participation by members of the public appearing before the Board.

Section 4.02 Rules. Board debate shall proceed in accordance with the following rules:

1. A Board Member desiring to speak shall address the presiding officer, and upon recognition, shall confine him or herself to the question under debate, avoiding abusive and indecorous language.
2. A Board Member once recognized, shall not be interrupted when speaking unless it is to call him or her to order, or as herein otherwise provided. If a Board Member while speaking is called to order, he or she shall cease speaking until the question of order is determined, and, if in order, he or she shall be permitted to proceed.
3. Order of rotation in matters of debate or discussion shall be at the discretion of the presiding officer.
4. A motion may be made by any member of the Board but must be seconded prior to discussion and vote. If the motion is not seconded it shall be declared failed for lack of a second by the presiding officer.
5. A motion to reconsider any action taken by the Board may be made only on the day such action was taken. It may be made either immediately during the same session, or at a recessed and reconvened session thereof. Such a motion may only be made by a Board Member of the prevailing side, but may be seconded by any Board Member and it shall be debatable.
6. Nothing herein shall be construed to prevent any member of the Board from making or remaking the same or any other proper motion at a subsequent meeting of the Board but the matter must be a scheduled agenda item.

Section 4.03 Suspension of the Rules of Debate. The rules of debate may be suspended temporarily by the unanimous vote of the entire Board.

Section 4.04 Majority of Whole Board Required. The affirmative vote of majority of Board Members present is required to adopt any measure unless a greater number of votes may be required by law.

Section 4.05 Duty to Vote. It shall be the duty of each Board Member to vote in the affirmative or negative on each motion duly placed before the Board by the presiding officer. A Board Member may make a brief explanation of the reason why she or he voted in a particular way.

Section 4.06 Proxy Voting. A Board Member who is not present in the meeting at the time a motion is put to a vote cannot vote. Board Member shall not be permitted to vote by a proxy vote or by written vote.

Section 4.07 Conflict of Interest. Any member of the Board who has a private interest, as defined by law or as so advised by the County Attorney, in any matter pending before the District shall not participate in the debate nor vote in that matter nor seek to influence the vote of members of the Board, except as otherwise provided by Montana law. If the presiding officer has a private interest in a matter pending before the Board he or she shall yield the chair to the Vice President during the course of debate and decision concerning the matter in which she or he has a private interest.

PART V. Presentation to the Board.

Section 5.01 Procedures. The general procedure by which items are handled by the Board Members at other than public hearings shall be as follows:

1. The item is presented to the Board along with a brief summary of the matter for discussion, with or without the presiding officer's recommendation.
2. For the purpose of clarification and after recognition by the presiding officer, Board Members may direct questions about the item to the presenter, the presiding officer or staff member.
3. Comments from the presiding officer, staff or Board members will then be heard by the Board. The Board may invite individuals invited to speak to the motion.
4. After recognition from the presiding officer the Board may direct questions.
5. The presiding officer will then invite members of the audience to present or submit testimony beginning with those in favor of the proposal, followed by those who oppose the proposal and concluding with those who neither favor nor oppose the proposal.
6. All testimony shall be directed to the presiding officer.
7. The Board may, upon a proper motion and second, vote on the matter or table the matter until a date certain.

Add: Section 5.02 Budget presentation. The budget must be presented and acted upon as follows:

1. The GENERAL Manager will present his (delete extremely) conservative proposed balanced budget for all district operations for the upcoming year at least during the regular May business meeting.
2. The Board will meet discuss alter as needed and adopt an annual budget by July 1, of each year.
3. No item of the adopted budget can be exceeded without the Board, at a scheduled meeting, previously adopting an amendment explaining the need and where the money will come from.
4. The budget must be reviewed by the General Manager and the Board during the October, January, April and July Board meetings.

PART VI. Public Hearings

Section 6.01 Procedures. The Board shall conduct public hearings as required by law. Public testimony will be presented to the Board in the same format as described in PART V above, except that witnesses may be required to testify under oath as provided by law in which case the Board shall not be bound by the strict rules of evidence, but may exclude irrelevant, immaterial, incompetent, or unduly repetitious testimony or evidence. The presiding officer shall, with advice as needed from legal counsel, rule on all questions relating to the admissibility of testimony or evidence. The ruling of the presiding officer may be overruled by a majority vote of the Board. Additionally the following rules of procedure shall apply:

1. The proponents or opponents, their agent or attorney, may submit petitions and letters prior to the closing of the hearing and the same shall be entered by reference into the minutes and considered as other testimony received at the hearing.
2. Following the presentation of all testimony and evidence, the Board may: (1) Continue the hearing to a date certain to allow additional information to be submitted to the Board; (2) Close the public hearing and proceed to Board debate of the matter; or (3) Continue the Board debate and vote to a date certain.
3. A public hearing which has been formally closed may not be reopened. If additional information is required before a decision can be made, the Board, upon motion duly made, seconded and passed, may call for an additional public hearing which hearing shall be duly noticed as required by law and this policy.

PART VII. Guide for Public Participation

Section 7.01 Guidelines for Public Participation. The following guidelines shall serve to assure reasonable and fair public participation in the decisions of the District Board.

1. The public shall be invited to speak on any item under consideration by the Board after and only after recognition by the presiding officer.
2. The speaker should step to the front of the room, and for the record, give his or her name and address and, if applicable, the person, or organization he or she represents.

3. Prepared statements are welcomed and should be given to the presiding officer and noted in the minutes of the meeting. Prepared statements that are also read, however, shall be deemed unduly repetitious. All prepared statements shall become a part of the permanent record.

4. While the Board is in session, members of public must preserve order and decorum. No person shall delay or interrupt the proceedings or the peace of the Board nor disturb any member of the public or of the Board while speaking or refuse to obey the orders of the presiding officer of the Board.

5. Any person who while testifying shall use indecorous or abusive language or who shall become boisterous or disruptive shall be barred from further presentation to the Board by the presiding officer, unless permission to continue be granted by a majority vote of the Board.

PART VII. (change to VIII.) Resolutions

Section 8.02 Resolutions. Except as provided by law, proposed resolutions may be introduced at any time by a member of the Board and if adopted shall be effective on the date specified therein.

Section 8.03 Right of Initiative. The people retain the right to present resolutions for adoption by the initiative process, as prescribed by law.

Adopted _____

Board President

Board Secretary

TRUSTEE AND MANAGER POLICIES

PART I. General Provisions

Section 1.01 Purpose. The purpose of this policy is to establish the rules of procedure for the conduct of meetings and the transaction of business by the County Water District of Billings Heights. These rules of procedure are intended to assure that the Board can accomplish its work efficiently, in full view of the public and with reasonable opportunity for the public to participate in the deliberations and decisions of its county government.

Section 1.02 Authority. These rules of procedure are pursuant to Montana statutory and regulatory law.

PART II. Public Participation

Section 2.01 Policy. It is the policy of County Water District of Billings Heights Board that the public shall be afforded reasonable opportunity to participate in the Board Meetings prior to the final decision of the Board concerning any matter of significant interest to the public. A matter of significant interest to the public includes but is not limited to any matter:

1. Requiring a public hearing;
2. Adopting, Implementing, interpreting, prescribing or altering a rate, rule or policy of the District;
3. Relating to the budgetary and financial affairs of the District.

Section 2.02 Open Meetings. A meeting of District Board of Directors is convened whenever quorums of Board members hear, discuss or act upon any matter over which they have jurisdiction. All meetings of the District Board shall be open to the public. However the presiding officer of the Board may close any meeting during the time the discussion relates to a matter of individual privacy and then if an only if the presiding officer determines that the demands of individual privacy clearly exceed the merits of public disclosure. The right of individual privacy may be waived by the individual about whom the discussion pertains and in that event, the meeting must be open as it relates to that individual.

Section 2.03 Notice. The District Board shall give timely notice of any public hearing or any meeting to discuss or act upon any matter of significant interest to the public, as prescribed by law. Additionally, the agenda of all scheduled meetings of the District Board shall be posted on the website not later than close of Business on 5th business day) prior to the meeting. Amendments to the agenda can be made until close of business 3 business days prior to meeting

Section 2.04 Public Posting Board. The Board of the County Water District of Billings Heights designates as its official posting place the website for the District.

PART III. Procedures.

Section 3.01 Meetings The Board of Directors shall meet on a regular basis and may hold special meetings to conduct the affairs of the District. Committees of the Board may meet on a regular basis and may hold special meetings. All meetings of the Board shall be open to the public and subject to a general rule no matter of significant interest to the public should be decided upon without prior notice to the public as a scheduled Board agenda item.

A meeting of the Board is defined as the convening of a quorum of the Board either in person or by means of electronic equipment to hear, discuss, or act upon a matter over which the Board has supervision, control, jurisdiction, or advisory power. A quorum is represented by a majority of the total members of the Board or committee in attendance.

Special meetings of the Board of Directors may be called by the President, or in his absence the Vice President, or by a quorum of the members of the board.

Official action at Board meetings can only occur with a quorum of Directors present. Minutes of all meetings required by statute Montana law to be open, fully reflective of all business transacted at the meeting, shall be kept and available no later than 21 days after the meeting is adjourned and shall be available for inspection by the public. All amendments to minutes must be sent to secretary by noon of 3rd business day before the next meeting.

Section 3.02 Agenda Preparation. Proposed resolutions, reports, recommendations, contracts and all other matters requiring consideration, discussion or decision by the Board shall be submitted to the President of the Board and to the Recording Secretary of the Board by 12:00 noon on the Friday immediately preceding the next regularly scheduled meeting of the Board. The President or his/her designated representative shall arrange the matters requiring discussion or action into an agenda according to the order of business specified herein. Copies of the agenda shall be provided to each member of the Board not later than at end of business 5 business days prior to the scheduled meeting. Copies of the agenda shall be readily available to the press and to the public at large and one copy shall be posted on the designated public posting board not later than 48 hours prior to the scheduled meeting.

Section 3.03 Order of Business. The presiding officer shall prepare the agenda in substantially the following form which may be altered by consent of the Board:

1. Call the Meeting to Order
2. Welcome and Introduction of guests
3. President's Remarks
4. Public Comment on anything not on the agenda but within the jurisdiction of the Board.
5. Approval of the minutes
6. Consent Agenda

** Consent Items are those upon which the presiding officer anticipates no discussion should be necessary. However, at the beginning of each meeting any Board member may request one or more items to be removed from the consent agenda for the purpose of discussion prior to a separate vote on

the item(s). The presiding officer shall schedule such discussion and vote immediately following adoption of consent agenda.

7. Manager's Report.
8. Committee Reports
9. Old Business
10. New Business
11. Items to be Scheduled for Future Board Meeting:

****An item that is not scheduled on the agenda for the current meeting may be discussed during the session at the discretion of the Board. However, the purpose of such discussion shall be to decide whether or not to schedule the item for discussion and/or vote on a subsequent agenda. As a general rule no matter of significant interest to the public should be decided upon without prior notice to the public as a scheduled Board agenda item.**

12. Adjournment

PART IV. Rules of Board Participation.

Section 4.01 Policy. To provide for the effective participation by all members of the District Board and to protect the right of participation by members of the public appearing before the Board.

Section 4.02 Rules. Board debate shall proceed in accordance with the following rules:

1. A Board Member desiring to speak shall address the presiding officer, and upon recognition, shall confine him or herself to the question under debate, avoiding abusive and indecorous language.
2. A Board Member once recognized, shall not be interrupted when speaking unless it is to call him or her to order, or as herein otherwise provided. If a Board Member while speaking is called to order, he or she shall cease speaking until the question of order is determined, and, if in order, he or she shall be permitted to proceed.
3. Order of rotation in matters of debate or discussion shall be at the discretion of the presiding officer.
4. A motion may be made by any member of the Board but must be seconded prior to discussion and vote. If the motion is not seconded it shall be declared failed for lack of a second by the presiding officer.
5. A motion to reconsider any action taken by the Board may be made only on the day such action was taken. It may be made either immediately during the same session, or at a recessed and reconvened session thereof. Such a motion may only be made by a Board Member of the prevailing side, but may be seconded by any Board Member and it shall be debatable.
6. Nothing herein shall be construed to prevent any member of the Board from making or remaking the same or any other proper motion at a subsequent meeting of the Board but the matter must be a scheduled agenda item.

Section 4.03 Suspension of the Rules of Debate. The rules of debate may be suspended temporarily by the unanimous vote of the entire Board.

Section 4.04 Majority of Whole Board Required. The affirmative vote of majority of Board Members present is required to adopt any measure unless a greater number of votes may be required by law.

Section 4.05 Duty to Vote. It shall be the duty of each Board Member to vote in the affirmative or negative on each motion duly placed before the Board by the presiding officer. A Board Member may make a brief explanation of the reason why she or he voted in a particular way.

Section 4.06 Proxy Voting. A Board Member who is not present in the meeting at the time a motion is put to a vote cannot vote. Board Member shall not be permitted to vote by a proxy vote or by written vote.

Section 4.07 Conflict of Interest. Any member of the Board who has a private interest, as defined by law or as so advised by the County Attorney, in any matter pending before the District shall not participate in the debate nor vote in that matter nor seek to influence the vote of members of the Board, except as otherwise provided by Montana law. If the presiding officer has a private interest in a matter pending before the Board he or she shall yield the chair to the Vice President during the course of debate and decision concerning the matter in which she or he has a private interest.

PART V. Presentation to the Board.

Section 5.01 Procedures. The general procedure by which items are handled by the Board Members at other than public hearings shall be as follows:

1. The item is presented to the Board along with a brief summary of the matter for discussion, with or without the presiding officer's recommendation.
2. For the purpose of clarification and after recognition by the presiding officer, Board Members may direct questions about the item to the presenter, the presiding officer or staff member.
3. Comments from the presiding officer, staff or Board members will then be heard by the Board. The Board may invite individuals invited to speak to the motion.
4. After recognition from the presiding officer the Board may direct questions.
5. The presiding officer will then invite members of the audience to present or submit testimony beginning with those in favor of the proposal, followed by those who oppose the proposal and concluding with those who neither favor nor oppose the proposal.
6. All testimony shall be directed to the presiding officer.
7. The Board may, upon a proper motion and second, vote on the matter or table the matter until a date certain.

Section 5.02 Budget presentation. The budget must be presented and acted upon as follows:

1. The GENERAL Manager will present his proposed primary balanced budget for all district operations for the upcoming year at least during the regular April business meeting.
2. The Board will meet discuss alter as needed and adopt an annual budget by July 1, of each year.
3. No item of the adopted budget can be exceeded without the Board, at a scheduled meeting, previously adopting an amendment explaining the need and where the money will come from.
4. The budget must be reviewed by the General Manager and the Board during the October, January, April and July Board meetings.

PART VI. Public Hearings

Section 6.01 Procedures. The Board shall conduct public hearings as required by law. Public testimony will be presented to the Board in the same format as described in PART V above, except that witnesses may be required to testify under oath as provided by law in which case the Board shall not be bound by the strict rules of evidence, but may exclude irrelevant, immaterial, incompetent, or unduly repetitious testimony or evidence. The presiding officer shall, with advice as needed from legal counsel, rule on all questions relating to the admissibility of testimony or evidence. The ruling of the presiding officer may be overruled by a majority vote of the Board. Additionally the following rules of procedure shall apply:

1. The proponents or opponents, their agent or attorney, may submit petitions and letters prior to the closing of the hearing and the same shall be entered by reference into the minutes and considered as other testimony received at the hearing.
2. Following the presentation of all testimony and evidence, the Board may: (1) Continue the hearing to a date certain to allow additional information to be submitted to the Board; (2) Close the public hearing and proceed to Board debate of the matter; or (3) Continue the Board debate and vote to a date certain.
3. A public hearing which has been formally closed may not be reopened. If additional information is required before a decision can be made, the Board, upon motion duly made, seconded and passed, may call for an additional public hearing which hearing shall be duly noticed as required by law and this policy.

PART VII. Guide for Public Participation

Section 7.01 Guidelines for Public Participation. The following guidelines shall serve to assure reasonable and fair public participation in the decisions of the District Board.

1. The public shall be invited to speak on any item under consideration by the Board after and only after recognition by the presiding officer.
2. The speaker should step to the front of the room, and for the record, give his or her name and address and, if applicable, the person, or organization he or she represents.

3. Prepared statements are welcomed and should be given to the presiding officer and noted in the minutes of the meeting. Prepared statements that are also read, however, shall be deemed unduly repetitious. All prepared statements shall become a part of the permanent record.

4. While the Board is in session, members of public must preserve order and decorum. No person shall delay or interrupt the proceedings or the peace of the Board nor disturb any member of the public or of the Board while speaking or refuse to obey the orders of the presiding officer of the Board.

5. Any person who while testifying shall use indecorous or abusive language or who shall become boisterous or disruptive shall be barred from further presentation to the Board by the presiding officer, unless permission to continue be granted by a majority vote of the Board.

PART VIII. Resolutions

Section 8.02 Resolutions. Except as provided by law, proposed resolutions may be introduced at any time by a member of the Board and if adopted shall be effective on the date specified therein.

Section 8.03 Right of Initiative. The people retain the right to present resolutions for adoption by the initiative process, as prescribed by law.

Adopted August 08, 2023

Board President

Board Secretary

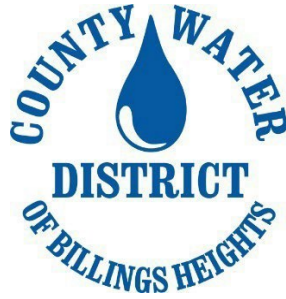
CWDBH BYLAW AMENDMENTS

Article 6 Term of office Except as provided herein, or by Montana State law, the term of office for directors shall be four (4) years commencing on the first day of the month following the election. change to: The term of office for Directors and the first day of term are according to Montana State Law.

Rewritten for page 3

Term of Office

The term of office for Directors and the first day of term are according to Montana State Law.



By-Laws of the County Water District of Billings Heights

ARTICLE I

Organizational Authority

In 1957, the Montana Legislature passed the "County Water District Act," which permits the residents of an area such as Billings Heights to create a district for the purpose of building, operating, and maintaining their own central water supply and distribution system. Pursuant to the provisions of the afore-mentioned Act, the Water District was established.. The County Water District of Billings Heights ("District") was formed by mail ballot election-voted by the residents and landowners within the designated boundaries of the District located in Billings, Montana and duly conducted in accordance with Montana State Law on August 26, 1958. A Certificate of Incorporation for the District was thereafter issued by the Montana Secretary of State on August 29, 1958.

ARTICLE II

Name and Boundaries

The name of the corporation is the County Water District of Billings Heights. The principal office of the District shall be located at such place as the Board of Directors may from time to time determine. The mailing address of the District is 1540 Popelka Drive, Billings, Montana 59105. The boundaries of the District are as shall be designated by the Board of Directors from time to time in accordance with all applicable laws and statutes.

ARTICLE III

Purpose

The purpose of the District is to provide a safe, potable water supply via the Districts distribution system within its boundaries, and to do all things necessary and proper to maintain and operate these facilities as required and allowed by Montana State law.

ARTICLE IV

Seal

The seal of the District shall have inscribed, thereon, the words “County Water District of Billings Heights” and the District shall maintain custody of the seal.

ARTICLE V

Fiscal Year

The fiscal year of the District shall begin July 1 of each year and shall end on June 30.

ARTICLE VI

Board of Directors

The Board of Directors is the governing body of the district. All powers of the District, as provided by Montana State Law, or necessarily implied, shall be vested in the Board of Directors.

Composition.

The Board shall consist of members as prescribed by Montana State Law, as may be amended.

Qualifications.

to be eligible for election or appointment to the District’s Board, a person must meet the requirements of Montana State Law and the following:

- (1) registered to vote as required by law;
- (2) 18 years of age or older;
- (3) a citizen of the United States; and
- (4) a resident of the District or an owner of real property located in the District who is a resident of the state of Montana.

Election.

The procedure for nomination and election of members to the Board shall be as provided in Montana State

Term of Office.

The term of office for Directors and the first day of term shall be according to Montana State Law.

Vacancies.

Any vacancies on the Board, whether the vacant office is elective or appointive, shall be filled by Montana State Law by a majority vote of the remaining members of the Board. A vacancy on the Board exists according to Montana State Law when any of the following events occur before the expiration of a member's term of office:

- (a) the member's death;
- (b) a determination pursuant to Title 53, Chapter 21, Part 1 of the Montana Code Annotated, that the member is mentally ill;
- (c) the member's resignation;
- (d) the member's removal/forfeiture of office; (see actions prohibited under article VII)
- (e) the member's neglect or refusal to perform his/her required duties as a member of the Board for three (3) consecutive months, except when prevented by illness or the member's absence from the District with the Board's permission;
- (f) the member's conviction of a felony or a violation of official duties; or
- (g) the decision of a court declaring the incumbent's election or appointment void

Meetings.

The Board shall meet on a regular basis and may hold special meetings to conduct the business of the District. Meetings shall be held at such time and place as determined by the Board. All Board meetings and the conduct of District business at said meetings may be guided by Robert's Rules of Order.

All regular and special meetings of the Board shall be open to the public subject to the requirements and exceptions set forth in Montana State Law. Notice of Board meetings shall be published as required by Montana State Law.

A meeting is defined herein as the convening of a quorum of the Board members (whether in-person or electronically) to hear, discuss, or act upon any matter over which the District has supervision, control, jurisdiction, or advisory power. A majority of the Board constitutes a quorum for the transaction of District business.

Ordinances and Resolutions.

The Board may act only through ordinances or resolutions. These must be passed with affirmative votes from at least a majority of the total members of the Board. The ayes and noes for passage of all ordinances or resolutions must be taken and included in the Board's Meeting Minutes. All ordinances and resolutions must be signed by the President of the Board and attested by the Secretary of the Board. All ordinances passed by the Board shall begin with the following enacting clause:

"Be it ordained by the Board of Directors of the County Water District of Billings Heights as follows:"

Compensation.

Each member of the Board of Directors shall receive a monthly salary according to Montana law as set forth in Montana State Law. The board may elect to waive Director's compensation during development of the budget each fiscal year.

ARTICLE VII

Duties and Offices of the Board of Directors.

The Board of Directors, subject to restrictions of law and these Bylaws, shall exercise all of the powers of the District, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given full power and authority in respect to the matters set forth in Montana State Law. Such power and authority shall be exercised by ordinance and resolution duly passed by the Board.

Specific Duties.

Without prejudice to or limitation upon the general duties of the Board, the specific duties of the Board include, but are not limited to, the following:

- (a) to select, appoint, and remove any officers, or agents of the District, including the establishment of appropriate compensation and prescription of duties for all District officers, or agents;
- (b) to establish rules to govern Board proceedings;
- (c) to adopt and amend rules and regulations deemed essential or convenient for the conduct of business and/or the affairs of the district and the guidance and control of Board officers, agents, and employees;
- (d) to set adequate penalties, where necessary, for the breach of the Board's duly adopted rules and regulations;
- (e) to establish an annual financial budget for the District, including regular reviews and amendments of said budget
- (f) to complete an annual independent audit of the District's books and account; and
- (g) to review rates, charges, and taxes levied or assessed by the District as necessary, but at least bi-annually, to ensure that income and revenue will adequately meet the needs of the District's present and future budgets.

Board Actions Prohibited

Without prejudice to or limitation upon the general duties of the Board, these specific actions below are prohibited by the Board or any individual Board member:

- (a) Neither the Board, or any of its members, shall in any manner dictate the appointment or removal of any administrative officers or employees whom the General Manager, or any of his or her subordinates are empowered to hire or appoint.
- (b) Neither the board, nor any of its members will directly or indirectly insert themselves in any way into the day-to-day operations of the District or otherwise attempt to supervise, coerce, harass, or influence any employees of the District that fall under the supervision of the General Manager.
- (c) Only the Board President or his designee shall speak publicly as a representative of or on behalf of the majority of the board.
- (d) Any Board member found by a majority vote of the board to be in violation of, or having committed a violation of any one of these prohibited actions will have given implied consent to automatically forfeit their seat and voluntarily resign as a board member of the District.

Election of a Board President and Vice President

The Board of Directors shall nominate and elect by majority vote a President and a Vice President annually at the June board meeting. The President and Vice President shall then serve for a term of one (1) year commencing on July 1. Any other board created officer positions will be nominated, elected, appointed and serve following the same term listed above.

Duties of the Board President.

The president shall sign all resolutions, ordinances, and contracts on behalf of the district and perform such other duties as may be imposed by the board of directors. The President shall also, when present, preside over meetings of the Board and shall convey all directives from the Board to the District's General Manager. In the case of the President's death, resignation, removal or incompetency, the Board of Directors may declare the office vacant and elect a successor.

Duties of the Board Vice President.

In the President's absence, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions of the President; The Vice-President shall also perform such other duties as from time to time may be assigned to him or her by the President and/or the Board of Directors.

ARTICLE VIII

Offices and Duties of the Administrative Personnel.

When necessary and appropriate for the conduct of District business, the Board may create administrative offices in addition to those identified herein.

The Board shall appoint, by a majority vote, the following administrative personnel:

- (a) a general manager;
- (b) a board secretary

No members of the Board shall be eligible for appointment to these offices. The general manager and secretary shall receive compensation as the Board determines feasible and appropriate.

General Manager.

The general manager has full charge and control of the maintenance, operation, and construction of all works and systems of the District. The general manager has the power and authority to employ and discharge all employees and assistants, prescribe job duties, and, subject to the Board's approval, fix compensation. The general manager shall perform other duties imposed by the Board. The general manager shall report to the Board in accordance with any applicable rules or regulations adopted by the Board. In the event the General Manager position is vacated due to death, discharge, retirement or resignation, the Assistant Manager shall assume the General Manager duties until the position is filled by a majority vote of the Board.

Secretary

The secretary shall countersign all contracts on behalf of the District and perform such other duties as may be imposed by the Board. The secretary will be the official record keeper for the Board and shall have custody of the seal. Minutes of all Board meetings, Resolutions and Ordinances passed by the Board will be attested by the secretary. All legal documents and notices of Public Hearings that require certification of Board action will be attested by the secretary. The hiring of the secretary shall be by a contract for services.

ARTICLE IX

Finance and Taxation.

Pursuant to Montana State Law.

Levy of Taxes.

The District may levy taxes to meet bond obligations and other expenses as provided by Montana State Law.

Governmental Grants, Loans or Other Financial Assistance.

The District will be treated as a municipality when applying for a grant, a loan, or other financial assistance from the State.

Public Hearing Required.

Except as provided in Montana State Law, prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing, or increasing rates, fees, or charges for services or facilities, the board shall order a public hearing. Notice of the public hearing must be published as provided in Montana State Law.

ARTICLE X

Insurance.

The District shall purchase appropriate insurance as determined by the Board to protect the Board members, officers, employees, and property from any potential loss and/or loss expense. The extent and specific nature of coverage shall be reviewed by the Board and general manager on a periodic basis as deemed appropriate.

ARTICLE XI

Conflict of Interest.

Existence of Conflict of Interest. A conflict of interest can be presumed to exist in any instance where the actions or activities of any individual on behalf of the District also involves either an improper or unjust gain or advantage to any party or has an adverse effect on the District's interests.

Duty of Good Faith. All members of the Board, advisors or agents of the Board, officers, employees, and agents of the District shall act in good faith at all times with respect to the duties of their respective positions. No one shall use such position or knowledge gained there from in any manner which benefits the individual against the interests of the District.

Disclosure. Where a transaction raises any degree of doubt concerning the possible existence of a conflict of interest, the parties involved shall make a full disclosure of all facts pertaining to the transaction to the President prior to initiating the transaction.

ARTICLE XII

Indemnification

No Board member, officer, agent, or employee of the District shall be individually liable for any act or omission made in the course and scope of his/her official capacity on behalf of the District

ARTICLE XIII

Amendments

These Bylaws may be repealed or amended by the affirmative vote of the District Board, at any regular or special meeting so long as the change does not put the District into conflict with the Montana State Law or the Administrative Rules of Montana after two reviews at regular Board meetings. The Board shall not have the power to change the purpose of the District, so as to decrease its rights and powers under Montana State Law or to wave any requirement of bond or other provisions for the safety and security of the property and funds of the District or its users.

KNOW ALL PEARSONS BY THESE PRESENTS:

The undersigned President of the Board of Directors of the County Water District of Billings Heights DOES HEREBY CERTIFY that the above and foregoing Bylaws were duly updated by the Board of Directors on this 16 day of August, 2023, and that the same now constitutes the Bylaws of the County Water District of Billings Heights.

President

Secretary