



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

September 20th, 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 6:00 PM

WELCOME AND INTRODUCTIONS

Board Members present: Ming Cabrera, Doug Kary, Frank Ewalt, Tom Zurbuchen, Jeff Essmann

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

Also present: Pam Ellis, 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.

September 20th, 2023 6:00 PM

Point of order: Ming says that Jeff Essmann currently does not meet the requirements to sit on the Heights Water District Board as he does not own any property in the boundaries. He does however have an LLC in the District. Ming states that he has to have permission from his LLC.

Doug says to refer to 7-15-2232-4. Which states that 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.

Tom makes a motion to seat Jeff Essmann **motion was seconded by Frank Ewalt and passed on a vote of 4 in favor 1 opposed, Ming Cabrera being in opposition.**

Swearing in of Jeff Essmann

Jeff raised a point of order on 1,2 and 3, there was no information on those items in the packet.

Doug says the Stifel report is missing from the packet.

Peyton said he included the documents for the investments coming due soon.

Jeff withdraws his point of order.

Doug rules to delay New Business item #1(Investments due in September and October) until next month. As well as New Business Items #2(Billing change proposal and #3(Dover Right of Entry Agreement) will be moved to the bottom of the agenda.

PUBLIC COMMENT:

Pam: speaks about the agenda and its changes without notice to the public.

The board then discusses having an additional board meeting on October 5th at 9:00 am to discuss the agenda and how to structure it.

CONSENT AGENDA:

Tom moves to approve Item #1 the minutes from August. Frank seconds.

Public Comment: Pam said the minutes need to be fixed because she feels there are many errors in them.

Jeff moves to approve the minutes with the correction of the signature line fixed for August 23rd. Frank seconds. All Approved.

Ming moves for 2 (Monthly bills for approval),3 (Bank Balances),4 (FIB Payroll Statement),5 (FIB Savings Statement) and 6 (FIB Gross Income Statement) to be approved as read. Tom seconds.

Doug asked about paying Raftelis and what we paid them for.

Peyton said it was for the rate study and his presence at the meetings.

There was further discussion regarding the contract with Raftelis and Interstate Engineering.

Ming moves to amend his motion to approve 3,4,5 and 6. Tom seconds. Ming Doug, and Tom approve. Frank and Jeff against.

Frank asked about page 41 of the agenda the water revenue and why the bill from the city isn't showing. He asks about the second month of the cost of goods sold.

Josh said that the city bills a month behind so we have not gotten the new month's bills yet.

Public Comment: Pam said there are things missing from the packet to be able to approve those items. Pam says that it is illegal to provide 401k unless it is before 1985.

Doug says we have had the 401k since before 1985.

Tom asks about pages 41, 42, and 43. He asks about some discrepancies that are due to the water bill from June. He also asks about the cost of goods sold as well as a couple of other line items on those reports.

Jeff asks whether we operate on a cash or an accrual basis.

Ming would like to have Summers Mcnea come in to explain our system.

Jeff calls the question **for Mings amended motion to approve 3,4,5 and 6**. All approved

Peyton explains he should not see any more bills from Raftelis.

Jeff asks if we have a direct contract with Raftelis. Peyton says yes. Jeff asks him to produce the proof of that. Peyton left to find the contract with Raftelis but was unable to find it at that time.

Tom moves to approve the prepaid bills. Ming seconds. Frank, Jeff, Tom, Ming Approve. Doug against.

NEW BUSINESS:

Item #1 (Investments due in September and October) to next month. Item #2 (Billing change proposal) has been removed. Item #3 (Dover agreement for Right of Entry) is at the bottom of the list.

Jeff moves to pass the resolution on item #4 Email policy. Frank seconds.

Ming says that we don't need to incur the cost of the additional emails because the board gets so few emails a month.

Doug said we are a right-to-know state and that the emails are necessary.

Jeff said it is our legal duty.

Following discussion, the motion was brought to a vote and passed 4-1 with Ming Cabrera voting No. This adopted Resolution can be found on pages 68 and 69 of the September 20, 2023 Agenda packets.

Public Comment: Pam said that Susan Swimley told the board that they should have a separate email other than their personal emails.

Item #5 review of current District contracts.

Doug says that the resolution was not typed as it was sent in. Peyton said it had an extra "Now There For."

Jeff moves to pass the resolution to include striking the last "Now There for" from the resolution. Tom seconds.

Following discussion and public comment on the resolution, the motion was brought to a vote and passed unanimously." This resolution can be found at pages 66 and 67 of the September 20, Agenda packet.

Jeff thinks that it is important for the members of the board to know what their duties are as well and he thinks the board needs to review all current open contracts.

Public Comment: Pam brought up resolutions 22-22 and 29-22. She said these were never discussed at meetings.

Item #6 paying invoices. Nothing was included in the packet for this item

Jeff moved to strike this item from the agenda. Frank seconds. All Approved

Item #7 Pressure issues in the Lake Hills area

Low water pressure in the Lake Hills area and inadequate in early mornings.

Josh recommends having a work session with Interstate Engineering so that the board can be more informed on the project.

Doug moved to accept the resolution to direct Gen Mgr. to investigate and review all options, including, but not limited to the proposed NW Transmission line. No Second

More discussion was had regarding accurate pressure and the need of the Northwest transmission main.

Jeff moves to amend the motion so it says adequate pressure 24 hours a day instead of 75 psi. Frank seconds. Frank, Jeff, Doug, Ming Approve Tom against.

Ming says that if we connect with the city, it will be a lot of extra cost. He also thinks some board members should go to the meeting with Brad and Lowell.

Doug thinks it's out of the scope of the board to go to that meeting.

Public Comment: Jennifer Duray says that they have done some preliminary options about the interconnection. This would require adding a pressure system to their lines and she thinks this would eliminate the pressure and flow problem. .05\$ per 1,000.

Tom says that is a 1.6% increase from the city. Tom asks if this is a solution for today not for the future.

Jennifer says yes this is for today not for future growth.

Following discussion by the Board and public comment, the Motion to pass the Resolution as amended passed by a vote of 4 in favor, one against, the director being opposed being Ming Cabrera. This resolution can be found at page 70 of the September Agenda packet.

Discussion was had regarding the House bill 675 and Tom would like this to be brought back for further discussion at the next board meeting.

MANAGERS REPORT:

Peyton explains that the Crew has been doing site work at Oxbow Tank on the drainage system. hydrant painting, and locates from CEC who bored through our marked watermain on River Oaks on 8/18/23. They excavated it and our people repaired it and sent the invoice for the repair.

The Lanier tank mixer conduit came unhinged during a wind storm and is to be repaired under warranty by Western Municipal. This was all under Task Order 26 which is still under warranty.

The oxbow feed line has a leak in it, a screw came unhinged which poked a hole in the pipe. That to will be warranted by Western next week.

MDU is in the process of moving its gas line on Bitterroot and Wicks for the City storm drain project. Unsure of an updated timeline for when, thought the plan was to take that main out before he started the other work but he has not been contacted.

In regards to the retention schedule (email from local government records committee). He contacted them about a year ago and they did not have a retention schedule for water and sewer districts.

He comments on the board email address and the reason we have only had one for the board president in the past. He also said he has no problem putting all of the contracts up as well.

As far as the Northwest Transmission main all of the studies the for it were done in 2020. We had a Task Order done in 2019 he thinks. We looked into the possibility back then and the Northwest Transmission Main was a result of that study. The fire flows are a problem in the Lake Hills area and that is why the Northwest Transmission Main was proposed to begin with. We did not anticipate Dove Ranch doing what they are doing. We have to comply with DEQ and have to serve our customers.

We also have some Stifel investment maturing soon that we will need to reinvest.

OLD BUSINESS:

Rate study: Raftelis vs. the board alternatives.

Doug reached out to the Rural Water Association. \$0 cost for a third-party opinion.

Ming said they hired someone who cost \$0 but they never showed up. You get what you pay for.

Jeff thinks that the cost needs to be allocated correctly.

Tom says Raftelis thought changes would need to be made over the years.

Doug says that we can't just give water away.

Jeff recommended a subcommittee.

Ming makes a motion to accept the Raftelis Rate Study. No second

Josh makes a recommendation to accept the board's alternatives mixed with the Raftelis SDF fee and annexation fees.

Public Comment: Pam comments on the rates.

Jeff thinks it's a good idea to have a conservation rate for certain users.

Members of the committee for the Ratelis rate study are Frank, Tom, and Laura or Doug

More discussion was had regarding the Rate Study and the fees going forward as well as a timeline for making a final decision.

Work Session October 5th @ 9:00 am

Next Meeting October 18th @ 6:00pm

Meeting adjourned @ 8:39 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary