



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Board of Directors Meeting Minutes

November 15th, 2023 at 6:05 PM

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

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested from the General Manager and are available at <https://heightswaterdistrict.com/agendas-and-minutes>. Agenda packets, due to their size, will not be printed off for the meetings or at the public's request. The public can access and view the agenda packet 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 6:05 PM

WELCOME AND INTRODUCTIONS

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

Jenn Burnside (Board Secretary)

Staff Members present: Josh Simpson

Also present: Mike Macki, Butch and Judy Bailey, Jim Reno,

Bob Witham, Jacob Witham, Lyle and Debbie Fogle, Ket Nelson,

Diane Srege, Earl and Susan Tate, 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.

November 15th, 2023 6:05 PM

The meeting started with Frank going over the new rates for the District. He explains that customers will no longer get the first 3300 gallons free. There will be a base meter charge and customers will start being billed on top of that base meter charge for water usage starting at gallon 1. He explained the different tiers for residential, commercial, irrigation only, and bulk resale users. He then talks about the changes to the SDF fees as well as the annexation fee.

PUBLIC COMMENT:

Mike Macki asked what the projected profit from the rate increase would be.

Frank says he thinks we follow the 6.8 Million dollars but it's hard to tell going into the winter months.

Mike also asks why we paid Raftelis all that money for nothing.

Frank said they used some of Raftelis's figures but lowered the numbers a little.

Mike reiterates that he would still like to know what the District will make in this rate increase in a year.

Tom says they didn't do a complete analysis to come up with the final revenue numbers. He also stated that it would be more than 5.7 but less than 5.8.

Mike also asked if you're getting an increase of at least 16.3% what is that money being used for?

Doug says it's for capital improvements mostly.

Mike asks him to explain the capital improvements

Frank says the main one is the Northwest Transmission Main.

Mike asks how much we have in the bank right now.

Doug says roughly 7 Million. He also says that we have maintenance to do as well. The lines that are old and need to be switched out.

Butch asks Josh to clarify the Northwest Transmission Main. What it is and where it's going?

Josh says this new main will run out of Alexander road west to where Gleneagles would tie in., we have a main currently that runs down Alexander and ties into Lake Elmo and we would tie into that main. This would provide better flow for that area.

Pam said that she was disappointed with the lack of communication with people. She goes on to explain that we purchase our water from the City and that a huge amount of money goes to the operating costs. She comments about the 43% increase from last year to this year. She also talks about how multiple funds are currently overspent. Increases are just the cost of doing business.

Bob Withum asked what the commercial rates did?

Frank says that the commercial rates went down from the previous rates.

Judy Bailey asks what we have to do with the west end?

Doug explains that we buy water from the City and the City is putting in another water treatment plant on the west end. They will be shutting this one down for maintenance. This will allow them to feed from two different directions.

Mike says maybe we should spend some of this money that we are going to make and build our water plant.

Tom says that in our capital improvement plan.

Frank reads the resolution.

Frank moves to approve the rates. Jeff seconds.

Ming says this has been ongoing for quite some time. He says because of our rates we aren't getting as many commercial builders coming into the heights.

Laura says they reviewed in detail the Raftelis reports. They wanted to be fair to both the commercial and the residential ratepayers.

Tom says this district has several huge water usage customers. He says that his bill will go up drastically from \$22.04 to \$34. This rate change makes the big users pay more.

Doug says the lowest rate for the residential customers actually went down 24 cents for the monthly minimum. Of course, this does not include the water usage.

Ming says before you didn't pay anything for the first 0-3300 gallons. Now you will be charged for gallons used starting at 0 gallons.

Jeff says that the board is trying to comply with the law. He also says he would like to recuse himself from the bulk resale rate changes and asks that the bulk resale be segregated from the rate changes.

Motion and Vote:

Jeff moves to segregate the bulk resale rate. Frank seconds. All approved

Motion and Vote for Rate Changes:

Frank makes a motion to approve the rates minus the bulk resale. Jeff seconds. All Approved
Jeff did not vote.

Doug motions to accept the bulk resale rate. Laura Seconds. Frank, Tom, Doug, Ming, and Laura Approve, Jeff was recused.

CONSENT AGENDA:

Tom questions the minutes from the last meeting and we have almost two pages about corrections from the previous meeting but the minutes are not a part of the packet for this meeting.

Jenn says she sent the corrected minutes to the board member who had all of the corrections but had not gotten a response so they were not included in this board packet.

Motion and Vote:

Tom makes a motion to approve October's minutes as presented. Frank seconds. All Approved

Tom makes a motion to approve Items 2-6. Item #2 Monthly prepaid bills for approval, Item #3 Bank Balances, Item #4 FIB payroll statement, Item #5 FIB savings Statement, Item #6 FIB Gross Income Statement. Ming seconds.

Frank asks about a bill from Raftelis.

Josh said he's not sure he didn't see that invoice. He will call Andrew to see if we are all squared up now.

Public Comment:

Pam says there are many documents in the agenda packet. but not on the agenda to be discussed. She also says we are consistently over budget and no one is addressing it.

Doug says they have seen the budget issues and will be addressed quarterly.

Jeff says state law requires that at least three board members approve the bills before they are paid. We don't have that system in place right now but he thinks it would strengthen this Board and the District.

Frank says some of the items on the budget that are at 100% are a one-time-a-year deal. That what we want them at is 100% or less. We are keeping an eye on the budget.

Motion and Vote:

Tom makes a motion to approve Items 2-6. Item #2 Monthly prepaid bills for approval, Item #3 Bank Balances, Item #4 FIB payroll statement, Item #5 FIB savings Statement, Item #6 FIB Gross Income Statement. Ming seconds. All Approved

MANAGERS REPORT: presented by Josh (Assistant Manager)

CEC (The company putting in the fiber internet lines) hit another service line at 1115 Main St. so the guys were working in conjunction with them to get that repaired. MDU had an issue in the same vicinity. There was a break on the 10-inch line on Main Street near Starbucks. Western Municipal dug and repaired the issue. The City has started working on its storm drain project on Wicks and Bitterroot. They are moving our 12-inch main from the west side of Bitterroot to the east side. Then getting it run past the BBWA canal. Once they get everything moved, they will abandon the line on the other side of the street. He met with Interstate Engineering to get started on Task Orders 29 and 28. Dover Ranch would like their attorney to look over the right of entry agreement. Dover Ranch is asking that Heights Water to cover their attorney fees not to exceed \$500. He received the email quote from Morrison & Maierle. It will cost \$670 a month for emails and all of the services they already provide. If we decided to do the employees it would cost \$12.50 a month per employee. He spoke with First Interstate Bank and they need the minutes to reflect on removing Peyton from the bank accounts.

Public Comment:

Butch comments about the 160-acre pond of the City's.

Doug says it is being filled as it is being used. The City has a deal with the ditch.

Butch asks wouldn't it make more sense to build a water treatment plant up here?

Doug says he can't answer that.

Motion and Vote:

Laura makes a motion to remove Peyton Brookshire from the bank accounts. Frank Seconds. All Approved

Jeff makes a motion to approve moving the Board and the District's emails to Morrison & Maierle. Frank Seconds

Ming doesn't think it's important to have a separate email for each Board member.

Tom asks about the cost of switching and adding individual emails for each Board member.

Josh says it is \$670 for just moving the Board over including all of the other things that they do for us. If we include the employees as well it will be \$12.50 a month per employee.

Ming says it's going to cost \$2200.

Josh said it would cost \$12.50 a month per employee but he did speak with another company and the costs for the other company were very similar.

More discussion was had regarding the emails.

Public Comment:

Pam is a supporter of each board member having their own emails. All of the information in your emails is discoverable. That is why each board member should have their own individual emails.

Motion and Vote:

Jeff makes a motion to approve moving the Board and the District's emails to Morrison & Maierle. Frank Seconds: Jeff, Frank, Doug, Tom, Laura Approve. Ming Against.

Ming makes a motion to approve the Not to Exceed \$500 legal fees for the Dover Ranch deal. Jeff seconds. All Approved

NEW BUSINESS:

Item #1 By-laws revisions first reading:

Jeff goes over all of the changes they did to the by-law. Some of those changes were just to the wording and removing the word state from Montana State Law. They adjusted the eligibility to be a board member, Law section, appointments, Vacancy, Meeting section, Prohibited action, and the Amendments section. These changes follow more closely to Robert Rules of Order and Montana Law.

Ming doesn't think we need to change any of these.

Laura said she would like to thank Director Essmann for his work on these changes.

Item #2 Interim Manager discussion:

Doug asks Josh how it is going right now with Peyton being gone.

Josh said some of this stuff is like drinking from a fire hose trying to catch up but we are taking it day to day.

Doug says but you're used to working with water though.

Jeff asked if there are going to be a crunch time in terms of office work or anything he sees coming in the next two or three months that the board needs to be aware of?

Josh says it will be a lot of engineering i.e.: the P.E.R. and the Northwest Transmission Main. He says he hasn't ever planned on stepping into the General Manager role because from where he has sat, he has seen what has happened to the previous two GMs. He can't say he has seen a whole lot of movement forward. He wants to stay as the assistant.

Laura asks Josh if the auditor has come to do the things they need on-site. She also asks if there would be a need for assistance from another staff member.

Josh said the auditor did come and do everything they needed and there was a draft audit sent to Laura's inbox. He also said he doesn't feel that there is any need for assistance at this time.

Tom makes a motion to increase Josh's pay by 20% to be the acting manager. Laura seconds.

Tom withdraws his motion.

Ming makes a motion to pay Josh \$43.27 to be the acting general manager from the time the Peyton resigned. Laura seconds. Frank adds an amendment that the increase only lasts until the new manager is hired at that time he goes back to the original pay. Laura seconds.

Laura thanks Josh for the work he has currently done and she thinks he has done a good job stepping into the role and she hopes that going forward they can build trust between the board and himself so that he would consider looking at the General Manager position on a permanent basis.

Motion and Vote:

Ming makes a motion to pay Josh \$43.27 to be the acting general manager. Laura seconds. Frank adds an amendment that the increase only lasts until the new manager is hired at that time he goes back to the original pay. Laura seconds. All Approved.

Item #3 Appointment of a Finance Committee:

Doug explains the reason for this is to look at the bills and approve them before the checks get sent out for the month.

Tom makes a suggestion to meet at the District once a week to approve any and all invoices that come in.

Frank thinks that meeting once a week would be too much.

Josh offers a suggestion to have a meeting with Suzie and get her opinion on this topic.

The board agrees to meet with Suzie before deciding anything.

TREASURES REPORT:

Laura explained Gross Income account is \$1. Service charge \$711.86. Sweep account \$694,890.35. Payroll account. \$95,734.54 First Interstate Savings account \$255,871.25. Earned \$615.41 Yellowstone Bank Savings account \$219,584.53. Stifel investments \$6,460,592.57. Total cash position \$7,726,675.24. Change to cash position \$162,450.21

OLD BUSINESS:

None

Work session Wednesday, December 6th @ 9:00 AM

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

Meeting adjourned @ 8:05 pm

Board Secretary, Jennifer Burnside

Board President, Doug Kary