



**FORT SMITH WATER & SEWER DISTRICT  
Board Meeting Minutes-Friday, August 29, 2025**

**-OPENING – ROLL CALL-** Jim Hyde called the meeting to order @ 9:00, 2025, the meeting was held in person, phone conference and TEAMS; Board members attending: Jim Hyde and Steve Saville; attending via phone conference and TEAMS: Jeff Buszmann and Tina Power; Employees attending: Josh McCraw and Sandy Kust; public attending via phone: Katie Steele, Eric Anderson, Bonnie Evans, Dan Kern, and Nick Bowers.

**-APPROVAL OF JULY 25, 2025, MEETING MINUTES-** Motion by Mr. Saville to approve the meeting minutes from July, 2025 as printed, 2<sup>nd</sup> by Mr. Buszmann, motion carried unanimously.

**-FINANCIALS/BILLS-** Mr. Saville presented the treasurers report for August 2025. Expenses: \$97,129.07, expenses were up as Western Municipal was paid \$79,523.25 for construction work completed in August of 2024 and still have not been reimbursed from the Economic Development Grant and if not paid contractor is able to charge interest on amount owed, this cost will be reimbursed to the District, also the final pay application from Prospect Construction was paid in the amount of \$4,143.23 and this cost will also be reimbursed to the District. Income: \$20,382.58; checking account balance: \$212,995.94, wastewater saving account: \$41,100.00, CDARS \$29,976.00; total checking, savings and cd accounts: \$284,071.94. Motion by Mr. Hyde to pay the bills and accept the treasurers report, 2<sup>nd</sup> by Mr. Buszmann, motion carried unanimously.

**-DELINQUENT REPORT-** Currently there are 10 accounts that are past due, totaling \$761.09; the water is turned off on 7 of these accounts and 3 accounts have been sent a delinquency letter.

**-FY26 BUDGET-** The P&L for FY25 and Proposed FY26 Budget were reviewed and FY25 is showing a net loss in the water fund of -\$13,075.00, the sewer fund is showing a net profit of \$7,407.00. The FY26 Budget is showing a net loss in the water fund of \$-18,385.00 and a net profit in the sewer fund of \$13,143.00.

Discussion took place regarding a rate increase of at least 5%, Sandy will draft a resolution and have MT Rural Water review and present at next meeting. The budget will need to be updated due to the aerators only running part time and do not yet have a cost for electricity and also update showing a rate increase if resolution passes. Sandy stated not a much water was sold due to the rate increase in 2024 and statistically customers are conservative with usage after a substantial rate increase happens. Budget is attached with meeting minutes.

**ACCOUNTANT/AUDIT-** Sandy stated she is working with Weisman accounting to separate out all water and sewer in checking account, separate out the debit card, savings and construction accounts into separate profit and loss as these are separate accounts, and then make journal entry adjustments for the depreciation, update assets and special assessments.

## **-WASTEWATER PROJECT**

1. **AERATORS-** Josh stated Newterra wants him to install the 1 aerator that has been repaired and does not feel he should have to install due to the repair being a warranty issue, the Board of Directors agreed this is a warranty issue and Newterra or Prospect Construction will be responsible to install. Mr. Hyde will contact Chris Hayes, RPA Engineering to discuss the warranty and installation as well as why the aerators will need to be taken out during the cold months and then reinstalled in the spring.

2. **SOLAR POWER-** Mr. Buszmann stated connectivity with solar metering resets every month, so the District would not see much benefits and the tax credits for solar will go away at the end of the year. Discussion took place that solar power may still be worth looking into as electricity is expensive when operating the aerators and irrigation pivot.

**OPERATOR REPORT-** Josh stated everything on the water/wastewater system continues to go well and has been running the spray irrigation system to lower lagoon level and also stated the new sewer tie in for the Big Horn Angler is completed.

Josh stated he may have to leave for a family emergency and John Mangan will take care of checking the pumps and taking residuals.

**EYE ON WATER-** A second letter will be sent out with the billing, informing customers of the opportunity to purchase a new online service called Eye of Water, which will give customers tools to help use water more efficiently by seeing how much water is being used and if there are any leaks. Currently only 9 customers have signed up for Eye on Water. Discussion will take place again at the next meeting to see if more customers want to be signed up and if another letter needs to be sent.

**DAN KERN- BLOCK L LOT 2-** Dan Kern and Nick Bowers attended the meeting to get information on hooking water and sewer up to their lots and how the hookups need to be for the subdividing of the property. Currently they are proposing 4 lots each with water and sewer. The System Development Fee for water would need to be paid for each water hookup and this property is currently on the Special Assessment for sewer so no System Development Fee would need to be paid for the sewer hookups. A copy of the Rules and Regulations have been given to the property owners and both Mr. Kern and Mr. Bowers stated there is confusion in the Rules and Regulations on 3.3 Granting of water and sewer service within the District (which states if determined by the District that it is impractical to construct an independent and separate water and sewer system to serve each habitable structure on a premises, the District may allow more than one separate building to be served by a single service) and 4.5.1.2 Arrangement of customers installation which also states providing service to more than one premises from a single installation will not be permitted unless approved by the board.

Currently the proposed design is showing connections to more than one premises and have to look at possible ways to avoid this in order to get approved from the board for the hookups. Mr. Kern and Mr. Bowers are in the preliminary design, and still need to go through subdivision review with MT DEQ and the County and review easements for water/sewer lines and will come back to the board with update on how water and sewer lines would be installed and if possible, connect each premises with a separate water/sewer service line. Draft design is attached to meeting minutes.

## **NEW BUSINESS:**

**SEPTEMBER MEETING-** Friday, September 26, 2025 @ 9am to be held via phone conference and TEAMS.

**DISCUSSION ON VACANT BOARD POSITION-** Sandy reached out to the Big Horn County Election Department and Attorney regarding the open board position and if the District needs to advertise this position. Both the Big Horn County Election Department and Attorney stated it is recommended to advertise to give everyone in the District boundaries an opportunity to know a position is available and apply for position and then appoint someone to the position after reviewing applicants. The District Board stated: **ARTICLE VII. BOARD VACANCIES-** Any vacancy on the Board of Directors, whether the vacant office is elective or appointive, shall be filled by the remaining directors. (Section 7-13-2262, Montana Code Annotated) 4 The director so elected will complete the term for the vacancy filled and, thereafter, will be subject to the same elective procedures as all other directors.

After discussion the board decided not to advertise and a motion was made by Mr. Hyde to have Katie Steele fill the vacant board position, 2<sup>nd</sup> by Mr. Saville, motion carried unanimously. Katie Steele will fill the board position until May 2027.

Jim Hyde will take roll as President as currently Vice President and conducts business during the absence of the President. Mr. Buszmann stated Dr. Shaw was addressed as Chairman and the District Bylaws state President, although they are one of the same, the Bylaws will need to be updated to say President/Chairperson, Vice President/Vice Chairperson.

**TRIBUTE IN MEMORY OF ALAN SHAW-** Discussion took place in regards to putting up a memorial for Alan Shaw, suggestions were something in the park and/or possibly changing the name of the park, putting up a plaque, bench or picnic table, however at this time ideas are being suggested and board will make a decision at a future meeting.

**-PUBLIC COMMENTS-** Bonnie and Dave Evans read a letter regarding a Tribute to Alan Shaw, stating his efforts throughout Fort Smith. Motion by Mr. Buszmann to have Tribute letter as an addendum to the meeting minutes, 2<sup>nd</sup> by Mr. Hyde, motion carried unanimously;

Bonnie also complimented Nick and Dave on how happy she is that they were so prepared for the meeting.

Eric Anderson complimented the work the Board has and continues to do, stated there are lots of challenges but keep up the good work, and said the infrastructure per square foot cannot be any better than Fort Smith.

**-ADJOURN MEETING-** Motion by Mr. Saville to adjourn meeting, 2<sup>nd</sup> by Mr. Hyde, meeting adjourned @ 10:51AM

Attachments: FY26 Budget  
Tribute to Alan Shaw  
Bowers Kern Proposed Property