FORT SMITH WATER & SEWER DISTRICT
Board Meeting Minutes-Friday, July 31, 2026

-OPENING – ROLL CALL- Jim Hyde called the meeting to order @ 9:00 AM on July 31, 2026, meeting was held in person, via phone conference and Teams; Board members attending: Jim Hyde, Steve Saville, Katie Steele, and Jeff Buszmann; Employees attending: Sandy Kust, Josh McCraw, and Anthony Van Nus; public attending: Dave Hyde, Bonnie Evans, Flo and Doug Stewart.

-APPROVAL OF JUNE 15, 2026 MEETING MINUTES- Motion by Mr. Hyde to accept the meeting minutes as printed, 2nd by Mr. Saville, motion carried unanimously.

-FINANCIALS: Mr. Saville presented the treasurers report for July 2026 and expenses are $60,609.54, the biggest expenses are Northwest Pipe in the amount of $6,169.60 for parts, Chubb insurance in the amount of $4,934.00 for Directors insurance, USDA RD in the amount of $23,362.00 for the semiannual loan payment, and quarterly taxes in amount of $4,480.33; income is $18,458.80; checking account balance is $228,249.20; wastewater saving account: $41,000.00; total bank account: $269,249.20. Year to date financials were also presented with income for water: $145,824.00; expenses for water: $146,243.00; net loss for water: $419.00; income for sewer: $131,968.00, expenses for sewer: $124,377.00, net income for sewer: $7,591.00. The FY27 Budget was reviewed and income/expenses for water: $141,418.00 and income/expenses for sewer: $194,851.00, the budget was set with a 5% rate increase to take place in fall of 2026. Sandy will also add in the audit fees for income and expenses. Motion by Mr. Buszmann to pay the bills and accept the financial reports and FY27 Budget as discussed, 2nd by Mr. Hyde, motion carried unanimously. Financial reports are on file with District records.

Audit: The audit for the wastewater project is ongoing. The revised balance sheets are completed and the grant portion of the audit is near completion and then review of the profit/loss and balance sheet for water & sewer will begin. Project is anticipated to be closed out in August 2026, and Special Assessment for the wastewater will need to be completed by September 2, 2026 and presented to Big Horn County Treasurers office.

Past due accounts: Currently there are 8 accounts that are past due, totaling $2,793.77; the water is turned off on 2 accounts and sent letters stating in not paid by July 31, 2026; the past due amount will be put on the taxes, and 6 have been sent a turn off letters and if not paid by August 5, 2026 the water will be turned off.

-LOAN CLOSING RESOLUTION: Department of Natural Resources and Conservation (DNRC) are ready to close out the loan and complete the last drawdown. A drawdown was presented in the amount of $2,379,949 which will be the closeout of the loan to DNRC and the District will start to pay back this loan in January 2027 and the special assessment will start in November 2026 to collect fees to pay back the loan. Dorsey and Whitney presented a loan resolution to the District in the amount of $2,379,949 and once resolution is passed the loan closing will take place on August 19, 2026. A motion was made by Mr. Hyde to move forward with the Loan Closing Resolution 7-31-2026 in the amount of $2,379,949.00 with the closing to take place on August 19, 2026, motion 2nd by Mr. Saville, motion carried unanimously. Sandy will work with Mr. Hyde and Mr. Saville to get signatures for the closing documents.

-SPECIAL ASSESSMENT-WATER & SEWER: Sandy is currently reviewing the Special Assessment for the water and updating forever merged properties. Once the loan closing is completed for the wastewater Sandy will begin working on the Special Assessment for the wastewater. The assessments are due to the MT Department of Revenue no later than September 2, 2026.

-OPERATOR REPORT: Josh stated he continues to train Anthony on both systems and stated Anthony is learning quickly and that both the water and sewer system are running great. Josh stated on July 13, the tank flooded due to a 1 ½ inch nipple came off the stand pipe and broke and had to drain 200,000 gallons of water in order to get fixed. The chlorine is a higher concentration due to the fresh water in the tank. Josh has received a quote for the tank cleaning from Midco Diving in the amount of $5,274.00 and stated the tank needs to be cleaned as a black syrup looking liquid came out of tank during final stages of draining the tank for repairs. Mr. Buszmann made a motion to hire Midco Diving to clean the tank, 2nd by Ms. Steele, motion carried unanimously.

Josh has ordered the bottles to take the PHAS samples and is planning on taking in August.

Agri Industries will be coming out to fix the flow meter as the electrician fried the flow meter when he was hooking up. This is a warranty issue as happened during the 1-year warranty period.

Eye On Water Installs: Josh and Sandy are still having problems with Eye on Water registers/antennas, as sometimes they read and sometimes they do not read, and it could be due to the cellular transmitters. Beacon performed a test and said the cellular transmitters are the correct transmitters. Sandy will work will Beacon and Banyon to check data in the software and try mock reading to see if they can get to start working.

Training With Peak Water Technology Specialists for the Lift Station: Peak Water has not set up a time with Josh for training yet; Josh will contact them again.

POLICY MANUAL REVIEW: Sandy sent and reviewed the special assessments with Devin, Midwest Assistance Program, he is reviewing the policy manual and will present his comments at the

August meeting.

NEW BUSINESS:

-August Meeting: Meeting will be held August 24, 2026 @ 9:00 AM

-PUBLIC COMMENTS- Flo & Doug Stewart stated they did not get a sewer connection during construction of the wastewater project and need to have one put in. They said they have water and a yard hydrant but no sewer, this is a lot with a garage on it and want to have sewer as want to sell additional lot. Discussion took place regarding the construction and it was stated to the Stewarts' that if the lot was vacant or had an abandoned building on lot that a sewer connection would not be provided. They also stated their lot was used as a staging area and they did not have permission to do this. Josh stated their lot was not used for a staging area during the wastewater project. Jim Hyde and Josh McCraw will meet with the Stewarts' regarding the sewer and water hookups.

Bonnie Evans congratulated the board on the closing out of the bond. She also asked if the website could be kept up as a little behind in posting agendas and meeting minutes. She also asked what was decided for the memorial boulder for Alan Shaw. Jeff Buszmann stated a letter was presented to the Commissioners asking if part of the funds received for the subdivision could be used to for a memorial in the park. Bonnie Evans and Katie Steele will check with the Commissioners again in September.

-ADJOURN MEETING- Motion by Mr. Hyde to adjourn the meeting, 2nd by Mr. Saville; meeting adjourned at 10:35 AM