FORT SMITH WATER & SEWER DISTRICT
Board Meeting Minutes-Friday, April 24, 2026

-OPENING – ROLL CALL- Jim Hyde called the meeting to order @ 9:00 AM on April 24, 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, and Josh McCraw; public attending: none.

-APPROVAL OF MARCH 27, 2026 MEETING MINUTES- Motion by Ms. Steele to change the meeting minutes that Katie Steele was not present to adjourn the meeting, and accept the meeting minutes as printed with the change, 2nd by Mr. Hyde, motion carried unanimously.

-FINANCIALS: Mr. Saville presented the treasurers report for April 2026 and stated expenses are $17,220.79; income is $17,471.15; checking account balance is $218,739.75; wastewater saving account: $41,000.00; total bank account: $259,739.75. Year to date financials were also presented with income for water: $106,845.00; expenses for water: $99,552.00; net income for water: $7,293.00; income for sewer: $100,577.00, expenses for sewer: $87,348.00, net income for sewer: $13,229.00. Motion by Mr. Saville to pay the bills and accept the financial reports, 2nd by Ms. Steele, motion carried unanimously. Financial reports are on file with District records.

Discussion took place regarding the peak demand charge from Big Horn Electric Cooperative and once peak demand is started to keep using as long as possible to limit the peak demand which is used to metering kw hours. A way to control the peak demand is maybe only using 2 aerators while using the irrigation pivot. Josh and Jim will look into this more.

Audit: The audit for the wastewater project is ongoing and an audit will also need to be completed for 2025 and 2026 as per the Federal funding agencies. Project is anticipated to be closed out in August 2026, and Special Assessment for the wastewater will need to be completed by September 8, 2026 and per Big Horn County Treasurers office.

Little Horn State Bank: Sandy presented information from Little Horn State Bank and the interest rates for checking, savings, and CD's.

<u>Little Horn State Bank</u>
Business Checking Rate: 0.25%
Money Market Rates: $1,000 is 0.35%
$10,000 is 2.05%
$50,000 is 2.75%
Certificate of Deposit Rates: 91 day is 0.35%
6 month is 0.75%
1 year is 1.25%
2 year is 0.75%

3 year is 0.55%

A motion was made by Ms. Steele to move checking, savings, and investment accounts to Little Horn State Bank, and have Jim Hyde and Steve Saville as signers on the account, have a debit card set up for Josh McCraw and have online banking set up with Jim Hyde, Steve Saville and Sandy Kust having access to the online banking, 2nd by Mr. Saville. Banking change will happen in July 2026 as end of fiscal year is June 30. Little Horn State Bank will send out signature cards electronically the end of June and will need a check to open the account to get checks and deposit slips ordered. Discussion took place to put $41,000 into a Money Market @ 2.05% and $39,000 into a 1 year CD @ 1.25 %, no action will be taken on investment accounts until money is moved from 1st Interstate Bank to Little Horn State Bank in July, 2026.

Past due accounts: Currently there are 4 accounts that are past due, totaling $2,318.41; the water is turned off on 2 accounts and 1 have been sent a turn off letter and if not paid by May 25, 2026 the water will be turned off, 1 account had a leak and is making the monthly payment and an additional $400.00 payment to get account caught up.

-DRAWDOWNS: The funding agencies had a phone conference with Mr. Hyde and Sandy Kust and the next drawdown will not happen until July 22, 2026, Reimbursement is anticipated to be $362,000.00, if EDA approves costs.

-OPERATOR REPORT: Josh stated everything is going well with both the water and sewer systems and Anthony, back up operator, is doing great and learning both systems. Josh is currently getting quotes for the tank cleaning which must be completed by 2027. MTDEQ will be contacting Josh regarding the PHAS sampling as EPA has finally finalized the ruling.

Josh as if he could purchase the back up battery that is called a Eco Flow Delta 3 Portable Power Station power supply that gets plugged in between the wall and the computer at all times and if the power goes out, this unit can power the computer for 12-24 hours, the cost is approximately $700.00 and will also need to purchase small generator estimated to cost $1,000 to charge the battery so it could run another 12-24 hours. This system would ensure the battery backup on scada panel will communicate the tank level to the pumps and communicate when pumps need to run. A motion was made by Mr. Hyde for Josh to purchase the Ego Flow Battery and 1,000 watt generator, 2nd by Mr. Buszmann, motion carried unanimously.

Eye On Water Installs: Josh has installed 10 Eye on Water registers/antennas, however sometimes they read and sometimes they do not read, and it could be due to the cellular transmitters. Beacon will perform a test to see if these are the correct transmitters as may need to be changed out.

Training With Peak Water Technology Specialists for the Lift Station: Josh is anticipating the training with Peak Water Technologies to happen in May to review different things to look for when a component is starting to fail or doesn't sound right, go over maintenance/repair schedules on the lift station, control panel, pumps, grinders, motors.

Easement for Fiber Company: Mr. Hyde and Josh McCraw had a meeting onsite with Finley Fiber Company, a subcontractor for Nemont regarding the easement to install fiber optic across the field by the lagoon and they were not aware of a sewer force main or lagoons out there as it has not been updated on website used to download locations.
RV Hookups: RVs continue to hook up to the water system through the water hydrants and RV's have water tanks that could potentially back flow into the water system as they do not have a backflow prevention devise on the hydrants. This is also an illegal connection to the water system. The RVs are also hooking into the sewer clean outs and this is bad for the lagoons. The District will

work with Mid West Assistance Program to investigate this more and set up a meeting with Mid West Assistance Program to go through system with Josh and Anthony to see how many RVs are hooked up and what the ramifications could be to the water and wastewater systems and review the Policy Manual with the District board. The RVs are also not being charged when hooking into the sewer clean outs, which is considered an auxiliary connection.

-PFAS SAMPLING: Josh has not received any information on PFAS sampling but MTDEQ has stated they are currently working on a schedule for all public water systems.

-BOWERS/KERN HOOKUP: Josh stated this connection is completed the System Development fee of $4,005.00 has been paid, an invoice will also be sent to Bowers the construction fees.

-POLICY MANUAL FOR EMPLOYEES: Sandy has a couple policy manuals for employees and will send to Mid West Assistance Program for there review and then contact Katie Steele to work out details for manual.

-PLAQUE FOR ALAN SHAW TRIBUTE: Mr. Hyde and Josh McCraw went through the boulder pile the District has and they are not as big as they thought they were but one will be place in the designated park once park is established. Mr. Buszmann stated the members of the community should reach out to George Real Bird @ 406-665-9702 to get funds for a park improvement project which will be right next to the church and will be visible and assessable.

NEW BUSINESS:

-June Meeting: Meeting will be held either, June 16th, 2026 or June 26th @ 9:00 AM

-Board Member: Tina Power will be resigning and the board will have an open position. Some members have made inquiries and these members will be contacted.

-PUBLIC COMMENTS- none

-ADJOURN MEETING- Motion by Mr. Hyde to adjourn the meeting, 2nd by Mr. Saville; meeting adjourned at 10:28 AM