

Water rate case


1 message

zurbuchen@bresnan.net <zurbuchen@bresnan.net>
To: "CWDBHBoard@gmail.com" <CWDBHBoard@gmail.com>

Thu, Mar 24, 2022 at 4:18 PM

During the CWDBH Board meeting on March 16, you know Mark Noenig and Laura Drager claimed the money could not go towards the water departments rates but instead go to Public Works Enterprise Funds. This still pisses me off so I wrote letters to editor of news papers and the Council about where the funds would be spent. Attached is an email stream and notice where Debi Meling says the money went. Of course I'm pushing for more detail but if this isn't 2 opposite stories I've never heard opposite stories. So just exactly what is the true story? Does this Board even care where the money goes or is their only concern to pay the City everything the City thinks it has coming? If the City put dollars into capital of water dept then use that toward CWDBH rates, CWDBH would be paying rate increased due to capital paid for by CWDBH exclusively. Talk about a rip-off!

Tom Zurbuchen

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789K



From: zurbuchen@bresnan.net
To: "Meling, Debi" <melingd@billingsmt.gov>
Cc: "Kukulski, Chris" <kukulskic@billingsmt.gov>, "Duray, Jennifer" <DurayJ@billingsmt.gov>, "Cole, Bill" <coleb@billingsmt.gov>, "Zoeller, Andy" <zoellera@billingsmt.gov>, "Iffland, Kevin" <ifflandk@billingsmt.gov>, "Council" <council@billingsmt.gov>
Bcc:
Priority: Normal
Date: Wednesday March 23 2022 11:23:59PM
Re: [EXTERNAL] City Council RIP-OFF

So exactly where did this money go and what did it buy? How much went towards water rates? How much went to capital improvements? Which improvements got how much? Details please!
Tom Zurbuchen

----- From: "Meling, Debi"
To: "zurbuchen@bresnan.net", Chris", Jennifer"
Cc: Bill", Andy", Kevin", "Council"
Sent: Wednesday March 23 2022 4:08:40PM
Subject: Re: [EXTERNAL] City Council RIP-OFF

Good Afternoon,

Any funds received from the Heights Water District are water revenues – while the receipt was delayed, they are still funds being paid for water. The funds will have the same rules applied to the use that all water revenues have and will need to be used towards the treatment and conveyance of water according to the water fund budget approved by Council. The rates have been developed with the assumption that the city would receive the \$2.9M.

Debi

FROM: zurbuchen@bresnan.net
SENT: Wednesday, March 23, 2022 2:29 PM
TO: Kukulski, Chris
CC: Cole, Bill ; Meling, Debi ; Zoeller, Andy ; Iffland, Kevin ; Council
SUBJECT: Re: [EXTERNAL] City Council RIP-OFF

So you agree the City will spend this revenue as it pleases so as in the future the City can incorrectly bill all customers then spend money recklessly as it sees fit rather than go to the taxpayers and ask for more! Once you have done a wrong it is easier to do it the second and third time around since there will be no consequences! Prime examples of doing wrong are the illegal franchise fees collected and the incorrect billing of a water customer for 40% and call it a minor error!

Tom Zurbuchen

----- From: "Kukulski, Chris"

To: Bill"
Cc: Debi", Andy", Kevin", "Tom Zurbuchen", "Council"
Sent: Wednesday March 23 2022 12:21:07PM
Subject: Re: [EXTERNAL] City Council RIP-OFF

I'm fairly certain that we have built the capital improvement plans and budgets around assumption that we would be paid the ~2.9M owed to the city by HWD.

Chris A. Kukulski Billings City Administrator (406) 581-7026 Sent from my iPhone
On Mar 23, 2022, at 12:03 PM, Cole, Bill wrote:

Chris and Debi:
Just wanted to make sure you saw Tom's email below. I don't recall any discussion by the council about how CWDBH settlement dollars would be applied or spent, so if my recollection is correct he's off-base in suggesting otherwise. However, the issue is still an important one that will require, I assume, recommendations from staff and input from the council going forward.

Thanks.

BILL COLE, MAYOR CITY OF BILLINGS, MONTANA COLEB@BILLINGSMT.GOV
406-294-5700

FROM: zurbuchen@bresnan.net
SENT: Wednesday, March 23, 2022 9:36 AM
TO: Council
SUBJECT: [EXTERNAL] City Council RIP-OFF

The City used a water meter which measured gallons of water, then billed County Water District of Billings Heights in units of 100 cubic feet (CCF). The City used the wrong conversion factor for converting from gallons to CCF and under billed CWDBH for 2 years 10 months in the amount of \$2,970,599.35 and then sued CWDBH for the money. During this time the City of Billings Water Department raised everyone's rate up so as to cover the mistake and collect adequate revenue to operate the utility. No one disputes these facts, not even in the council agenda! Now the CWDBH wants to settle the case and pay the proper bill, good for them! The City wants all this money to go to Public Works budget for discretionary spending. They are going to use this money for expenses above and beyond the approved budget! This could include an amphitheater at Coulson Park, a trail from top of rims to bottom of rims, ground preparation and sprinkler system at Coulson Park or Cottonwood Park. Why not apply the money toward water rates which would lower next year's rates for all? That makes perfect sense since rates were raised while the City discovered how to bill properly, but OH NO WE CAN'T DO THAT! Well then why not apply this money to the City's debt that has been voter approved and all residents pay? This would decrease everybody's' tax bill. All spending would remain as budgeted! But no our Great City Council wants to take more money so as to do whatever they want without asking the Voters! What a way to thank the voters for the last two tax levy increases!



Settlement Agreement

1 message

Sat, Mar 26, 2022 at 11:46 AM

Al Towleron <atowl@outlook.com>

To: "cwdbhboard@gmail.com" <cwdbhboard@gmail.com>

Cc: "melingd@ci.billings.mt.us" <melingd@ci.billings.mt.us>

Dear Board Members:

As a district member, I urge the Board to approve the proposed settlement agreement with the City.

I believe this situation should never have gotten to this point. While it's unfortunate the error occurred, it appears to me that the District took advantage of the situation. To not pay would result in the District being unduly enriched. The District was able to leverage these funds to realize additional interest on investment or avoid interest costs if used for construction of the storage reservoir as alleged. Then you add, in addition, the legal costs, which could have been avoided had cooler heads prevailed.

I note that the Agreement provides for the parties to discuss a new service contract. As part of that discussion, I suggest the subject of dissolution of the District be included as an item of consideration. I believe the situation within the District today is drastically different than when the District was originally formed. For example, a good portion of the District is now within the city limits, which means that city residents within the District are paying different water rates than other city residents. In addition, there is duplication of items such as administration, billing, and facilities and equipment.

I truly hope that with new personnel on both sides the parties can foster a more congenial relationship.

Again, I urge approval of the agreement and thank you for the opportunity to comment.

Alan Towleron

District Member

Cc: Debi Meling, City of Billings Public Works Director

Public hearing comment

1 message

James Collins <jamescollins1x0@gmail.com>
To: cwdbhboard@gmail.com

Mon, Mar 28, 2022 at 4:18 PM

Dear heights water board,

I find it extremely disheartening that upon taking the seats of the board, of which I voted for, you've made such a grave mistake. How could a public interest board allow the City of Billings to bully the residents of the heights into paying 2.9m for a mistake they made, over obviously city favored rates.

Instead of battling for forfeiture of the mis-billed portion, you're instead settling for an outrageous sum at the expense of residents who will inevitably be blindsided by even higher rates.

My single family's advance opinion may not matter that much, however residents under the heights water district will be heard as soon as they see and feel the rate increases.

-James
{Sent from a mobile device}

Settling with Billings

1 message

Nancy McManus <nojrk@hotmail.com>
To: "cwdbhboard@gmail.com" <cwdbhboard@gmail.com>

Mon, Mar 28, 2022 at 1:02 PM

Dear County Water District of Billings Heights,

MY name is Nancy McManus and my address is 2123 Wentworth Dr, Billings, MT 59105. I am writing to inform the board that I am in favor of settling with the city of Billings over the billing error. If you have any questions please contact me at 406-256-9792.

Thank you,

Nancy

Written comments

2 messages

zurbuchen@bresnan.net <zurbuchen@bresnan.net>

Fri, Apr 1, 2022 at 8:29 AM

To: "CWDBHBoard@gmail.com" <CWDBHBoard@gmail.com>

I have written comments for the proposed billing error settlement on the agenda for the CWDBH Board meeting of April 13.

First the COB used a water meter that measures gallons to bill CWDBH. Each month's bill had the correct gallons recorded upon it, this was/is undisputed! The COB billed in units of 100 cubic feet (CCF), here was the error. There are 748.051948 gallons in 1 CCF. The COB claimed to bill 40% under by using the wrong conversion factor, so instead of using 748.051948 the COB apparently used 1048.051948 gallons/CCF instead as those 300 extra gallons is 40% of 748.051948! If your bill were to have been miss-figured this way would you have seen the error? State code allows a utility 6 months back collection on collecting such a mistake but that same code exempts municipal utilities from it. How much would you agree to pay on your miss-figured bill? How much would a judge order you to pay? I think it is easy to say, everyone would laugh at the COB! The COB raised their rates for everyone during these 34 months of incorrect billing of CWDBH. This is evident in their budgets as each year the COB collected enough revenue to cover all costs of producing and distributing water and these budgets are audited each year. The COB is extremely proud of the awards it receives each year for their excellent budgets and their accuracy! Really? With a mistake this big and annual audits the City is proud of their budgeting prowess? The COB incorrectly billed CWDBH for 34 months thinking they had a leak! They were not concerned with dollars just the efficiency of their distribution system! This nearly 3 million dollars goes into the water department budget and will be used for capital projects. The COB will then raise CWDBH rates so that CWDBH pays its share of the new capital projects. But wait, CWDBH money by contract goes toward water and existing capital not future capital! This is a breach of the contract with the COB! The COB should pay CWDBH its share of the nearly 3 million in capital that was built! This is a double payment towards capital for CWDBH!

Tom Zurbuchen

County Water District <cwdbhboard@gmail.com>

Fri, Apr 1, 2022 at 3:14 PM

To: zurbuchen@bresnan.net

Received, thank you.

[Quoted text hidden]



Billings Heights Water District

1 message

Michael Myers <buckshot1250@gmail.com>

Mon, Apr 4, 2022 at 4:43 PM

To: "cwdbhboard@gmail.com" <cwdbhboard@gmail.com>

Cc: info@yellowstonecountynews.com

The need, earlier on, for your organization, was likely necessary. What I do not understand is the current need of this "District" for city residents.

Why do residents living within the Billings city area generally known as the "Heights", pay more for their water usage than residents in other areas of Billings?

We are not in the county, or another town. Help me understand?

Thank you,

Sincerely,

Michael Myers
Billings city resident

Tuesday, April 05, 2022

Board of directors

County Water District of Billings Heights

1540 Popelka Drive

Billings Mt. 59105



SUBJECT: Proposed water settlement agreement of \$2,936,251.80 with the city of billings.

As a ratepayer of this district for 16 years, I am certain that I have standing to voice my concern and disagreement with the current proposed settlement.

REASONS FOR MY CONCERNS:

The current board does not have my confidence at this point, the board is currently involved in legal action against itself, ie Three board members have, brought an action against the other members, the action also includes a current ratepayer, at this point this action has not been settled to my understanding, furthermore how can we negotiate an agreement with this action pending and the est. 10,000 range off ratepayers not knowing what the unresolved issues may be and how it may be effecting the settlement issue with the city.

On 11-17-21 Jeff Weldon of Felt Martin law firm advised then CWDBH board that they were terminating their relationship with the district for various reasons. Apparently one of the serious issues was the negotiations with the city of billings regarding the case DV-1653 regarding breach of trust. Of concern to me as a rate payer, we did compensate Felt Martin (Jeff Weldon) with aprox. \$29,000. It is clear to me that that substantial

legal work was done for district.

It appears to me that the district has some serious issues resulting in my lack of trust in its current operation, and it is my evaluation that it is not proper to settle this case with the city, with unresolved issues within the districts board.

I am sure there are other issues that may arise.

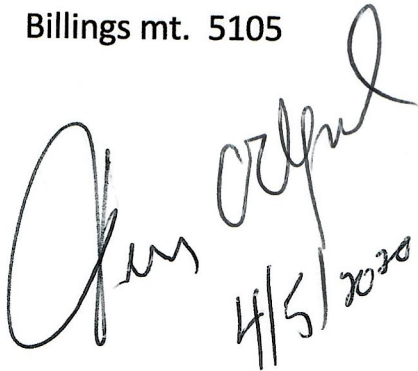
In conclusion, I will repeat myself that I am against this settlement with the city at this time, the city made the error, water district did not, and there should be some accountability due to city's error.

Thank you

Terry Odegard

2101 Lake Hills Drive

Billings mt. 5105



A handwritten signature in black ink, appearing to read "Terry Odegard". Below the signature, the date "4/5/2020" is written in a similar cursive style.