

## Water District Seeks More Public Input, Dianne Crees Retires

by Evelyn Pyburn YCN ❖ March 25, 2022

The Heights Water District Board agreed, last Wednesday, to continue the discussion about the pending agreement with the city to pay an almost \$3 million water bill, at their next board meeting to allow more opportunity for the public to weigh in on the matter. It was also announced, at the meeting, that Dianne Crees, the District's Clerk Treasurer, is retiring on April 22, – 30 years and two days from the day she began working for the Water District. Jennifer Burnside has been hired to fill her position. Heights Water District customers are urged to voice their opinions about paying the city water bill at the April board meeting, which is being moved up a week, to Wednesday, April 13. It will be the meeting's first agenda item, beginning at 6 pm, in the Water District Offices.

The City Council is expected to consider approving the agreement at their March 28 meeting.

The district board's attorney, Mark Noennig, explained the legalities involved regarding payment of the bill. He reviewed the issues involved in paying the bill, which accrued over time because of an error in how the city was billing the Water District for the water it used.

Controversy about the \$2,970,599.35 has hung in limbo for the past three years.

Noennig noted that the city is not trying to collect any interest on the debt, which in his opinion they could legally do at 10 percent under state law, which would increase the total owed by the District to over \$5 million.

It was pointed out that by the time the city discovered the error in billing, it was too late to determine who was responsible – the public works department or the new software company from whom they had acquired a new system to do their billing. By the time the error was discovered the software company's liability had expired.

The District's legal committee, comprised of Board members David Graves, Pam Ellis and Jeff Engel, reported to the board that they have negotiated an agreement with the city to pay the bill in one payment, less \$34,347.55 in interest, which they would have earned on money if they had accepted the city's initial offer of paying it in three installments.

Other issues left on the table by the District involved the collection of \$35,000 by the city in franchise fees which a court decision has declared an illegal tax, but for which the court also said reimbursement to ratepayers was not collectable. There also lingers a dispute between the District and the city over a \$5,000 right-of-way fee, over which the committee said "we agreed not to agree."

Chairman of the Board Ming Cabrera urged the board to accept the settlement saying that to go back to negotiations could put the district at risk of having to pay the interest which would be a liability of over \$5 million. Cabrera said that he believes it was a desire of district members to pay the bill and "move on," that got him elected to serve on the board. That's what he heard the public repeatedly say in campaigning for his position, he said.

Peyton Brookshire, the district's former assistant manager who has been named the new manager, said he believed settling with the city created the wrong kind of "optics," although he understands the decision is the board's to make.

"It looks like we didn't pay it," he said, rather than that the city made a mistake in billing the district. He said he believed the district has no liability and that the decision to pay it is serious because "we are giving up 30 percent of our reserves."

Board member Pam Ellis commented that the district is not giving up 30 percent of its reserves because they wouldn't have those funds if they had had to pay the full amount for the water they were getting.

Brookshire and others have also been concerned about putting at risk the purchasing agreement the district has with the city, which the city has been “very aggressive” about wanting to change. “It is about control,” said Brookshire. Gaining greater control over Heights’ issues of growth and fees has been a primary goal of the city for a long time. He said, “The only way they can do that is if we let them.”

The proposed settlement involves no changes in the district’s purchasing agreement with the city, an agreement that has been assessed as being a very advantageous one for the district. The proposed settlement does state, however, “The Parties, through their respective representatives, shall meet to begin addressing issues with the existing Water Purchase Agreement with a goal of drafting a new Water Purchase Agreement that may be acceptable to both the City of Billings and the County Water District of Billings.”

Board member Brandon Hurst, who attended the board meeting virtually, made the motion to seek more public input at the April meeting of the Board, a position strongly supported by Cabrera who said he thought it was very important, considering the sum involved, to give the public as much opportunity as possible to voice their views. Dennis Cook also attended virtually and Jeff Engel intended to, but could not, due to technical difficulties.

Cook indicated in written text on the monitor that he wanted to vote “no” on accepting the settlement.

The retiring Dianne Crees began working as a bookkeeper for the Water District on April 20, 1992. In an interview, she said that she has very much enjoyed her job, but she is looking forward to retirement “to work on other projects” and to enjoy grandchildren. Crees’ father, Victor Reichenbach, who will soon be 92, was among the Heights residents who help start the effort to get water into the Heights, which eventually evolved into the Water District.

When Crees began working for the district, her primary job was to help in the process of reading meters. It used to take “four guys four days to read meters . . . I had to manually punch in their readings,” she said. Over the years the district has used several systems to make meter reading more efficient, and today it’s a job that require one person a day-and-a-half to gather the data, which is stored “in the cloud.”

Most of Crees’ time is now focused on doing payroll, the general ledger and customer service.

Cree’s is married to Chip Crees who sells B-Fit exercise equipment. They have four children and eleven grandchildren.

In other district business, ellis reported that the city’s rate increase for July 2022 is “off the table.” She said that Jennifer Duray of the billings Public works department confirmed to the district’s Legal Committee on Feb. 7, that a proposed rate increase for city water will probably not occur in FY23, but that when it goes into effect, it will probably be more than the 30.6 percent announced.

Future rate increases will be based on the cost of the completed new infrastructure. Impacting those costs are increasing prices for materials and construction and perhas the award of grants that which will help defray the costs.

The board also approved three requests for annexation into the district. The board approved the Annexation of Barrett Road Development of 10.77 acres, for a fee of \$109,309.85; for High Sierra 21st filing, of 10.454 acres for a total fee of \$105,910.15; and for Ed McCullough for 1228 Rawhide Strip of 1.13 acres for a fee of \$11,446.91.