



RESOLUTION NO. 052-25

WHEREAS, at the request of the General Manager the President of the Board appointed two members of the Board to form a committee to participate with the General Manager in the process of the audit, and

WHEREAS, the Directors appointed to the Committee wish to clarify both their role and that of the Board in the Audit process, and clarify responsibilities with respect to dissemination of the RFQ to a wide number of firms with experience in Montana audits, review and rating of the interested firms and making a recommendation to the Board,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

That the Request for Qualifications for conducting an audit of the FY 2025 records of the County Water District of Billings Heights be amended to clarify the participation of the Audit committee and the Board of Directors and be issued in the form as contained in Attachment "A" hereto.

PASSED by the Board of Directors of the County Water District of Billings Heights and **APPROVED** this 10th day of November 2025.

**COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS**

By: _____

President

Attest:

Shirley McRaney
Acting Board Secretary

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ATTACHMENT "A"



Board of Directors
President- Jeff Essmann
Vice President- Doug Kary

Frank Ewalt
Greg Erpenbach
Pam Ellis
David Graves
General Manager
Bo Andersson

REQUEST FOR QUALIFICATIONS (RFQ)

Professional Auditing Services

County Water District of Billings Heights 1540 Popelka Ave. Billings, Montana 59105

<https://www.heightswaterdistrict.com/>

Issue Date: November 10, 2025

Responses Due: December 15, 2025

Contact: Greg Erpenbach, Board member greg.erpenbach@heightswaterdistrict.com or Pam Ellis, Board member pam.ellis@heightswatrdistrict.com

1. Introduction

The County Water District of Billings Heights ("District") invites Request for Qualifications (RFQs) from qualified certified public accounting firms to perform an independent financial audit for the fiscal year ending June 30, 2025, with the option to renew the engagement for up to three (3) subsequent fiscal years (FY 2026–FY 2028) based on satisfactory performance and mutual agreement.

The audit must comply with:

- Generally Accepted Auditing Standards (GAAS)
- Government Auditing Standards (Yellow Book)
- Montana Department of Administration, Local Government Services Bureau (LGSB) requirements
- Applicable federal requirements, including OMB Uniform Guidance (if applicable)

2. Background

The County Water District of Billings Heights is a Montana county water district organized under MCA Title 7, Chapter 13, Part 22, serving the Heights area of Billings, Yellowstone County. The District provides potable water to approximately 6,200 residential and commercial services, operating and maintaining distribution mains, storage tanks, and related infrastructure. The District's financial statements are prepared using the modified accrual basis of accounting in accordance with Governmental Accounting Standards Board

(GASB) principles.

3. Scope of Services

The selected auditor will perform the following tasks:

1. Conduct an independent audit of the District's financial statements for FY 2025 (ending June 30, 2025), and optionally for subsequent years.
2. Perform the audit in accordance with GAAS, Government Auditing Standards, and LGSB requirements.
3. Prepare and deliver the following reports:
 - Independent Auditor's Report and Management Letter
 - Internal control findings and recommendations
 - Compliance report (if required)
 - Electronic submission to LGSB through the state's online portal
4. Review FY24 audit and correct errors identified by staff or board for the FY25 audit. An exit conference (or multiple conferences as appropriate) with CWDBH Board of Directors, and staff will be held upon completion of the draft and final audit report (if needed). Observations and recommendations must be summarized in writing and discussed. Recommendations should include internal controls, accounting processes, reporting systems and program compliance observations.
5. (Optional) Assist with Annual Financial Report (AFR) preparation or related compliance filings as requested.

4. Statutory & LGSB Submission Deadlines

Report / Filing	Deadline	Notes / Authority
Annual Financial Report (AFR)	December 31, 2025	Filed within 6 months after fiscal year end (MCA 2-7503). Extensions up to 3 months may be granted by LGSB.
Audit report (non-federal)	June 30, 2026	Audit report must be filed with LGSB within 1 year after fiscal year end (MCA 27-515).
Audit report (federal single audit)	March 31, 2026	Required if federal expenditure exceeds threshold under OMB Uniform Guidance.
Corrective action plan / response	Within 30 days of receiving audit	Entity must submit response and corrective plan to LGSB.
Delinquent audit notice / penalty	After June 30 (Sept 30 for federal audits)	Late filings may incur \$75 penalty and public notice.

FY 2025 Implication:

- AFR due → December 31, 2025

- Audit report due → June 30, 2026 (or March 31, 2026, if federal single audit applies)
- Responses to audit findings → within 30 days of receipt

The audit firm must structure its work schedule to meet these state deadlines.

5. Submission Requirements

Firms shall submit one (1) electronic PDF and one (1) printed copies of their RFQ containing:

1. Cover Letter – firm identification, principal contact, and acknowledgment of FY 2025 audit scope.
2. Firm Profile – background, size, and office locations.
3. Experience & Qualifications – Experience & Qualifications – specific experience auditing Montana local governments or water/sewer districts. Provide a list of the Auditor's current and recent government audit clients, indicating the type(s) of services performed and the number of years served for each
4. Key Personnel – names, titles, email, telephone numbers and résumés of staff assigned to the engagement.
5. References – at least three (3) governmental or utility clients in Montana.
6. Audit Approach & Timeline – Provide information concerning the audit approach that will be taken – i.e., proposed staffing, plan for each stage of the engagement, proposed audit schedule that meet the scope criteria, sampling techniques, and analytical procedures.
7. Fee Proposal – in a separate sealed envelope (or separate electronic file) including proposed fees for FY 2025 and each optional renewal year.

6. Selection Procedure

A review committee of the board will evaluate all responses to the RFQ that meet the submittal requirements and deadline. Staff may be consulted.

Submittals that do not meet the requirement or deadline will not be considered. The review committee will rank the proposals and may arrange interviews with the finalist(s) prior to selection. Selection may be made directly based on the written RFQ submission.

If interviews occur, the selection of finalists to be interviewed will be made by a selection committee representing the Board and a staff member. The selection of interview candidates will be based on an evaluation of the written responses to the RFQs.

All submitted proposals must be complete and contain the information required as stated in the "Request for Qualifications." The CWDBH Board will approve the firm via Board Resolution. Unsuccessful firms will be notified after the Board approves the Resolution to Award. The Board reserves the right to reject any or all submittals received, to waive informalities to evaluate the submittals, and to accept the submittal that best serves the interests of the District.

7. Evaluation Criteria Factor |

Weight

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- Experience with Montana local governments / water districts | 40%
- Audit approach, methodology, and adherence to deadlines | 30%
- References and past performance | 15%
- Projected completion date | 15%

8. Schedule

Activity | Date

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RFQ issued: November 10, 2025

RFQ due: December 15, 2025 5:00 pm MST

Evaluation / Selection: December 16, 2025

Anticipated contract award: January 21, 2026

Audit fieldwork begins: ASAP after January 22, 2026

Draft audit report submitted: March 11, 2026

Draft audit report presentation to Board: March 18, 2026

Final audit report to the Board: April 15, 2026

9. Submission Instructions

Submit proposals by 5:00 pm, December 15, 2025

County Water District of Billings Heights

1540 Popelka Drive

Billings, MT 59105

Email: [Greg Erpenbach](mailto:Greg.Erpenbach@heightswaterdistrict.com), Board Member greg.erpenbach@heightswaterdistrict.com or Pam Ellis, Board member pam.ellis@heightswatrdistrict.com

Late or incomplete submissions will not be considered.

Submissions may be made electronically via email with the subject line labeled "Sealed Proposal for Audit Services." Please request a read receipt.

Physical proposals may be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information: Sealed Proposal for Audit Services delivered Att: CWDBH Board, 1540 Popelka Drive, Billings, MT 59105 Staff will date stamp the envelope when received

It is the responsibility of the Offeror to ensure that the proposal is received by the District by the date and time specified above. It is important that your submission be clearly marked and/or identified as a sealed proposal. Failure to follow instructions may result in premature disclosure of your proposal.

9. Additional Information

- The District reserves the right to reject any or all submissions and waive informalities.
- All materials become property of the District.
- This RFQ does not obligate the District to award a contract or pay proposal costs. - The successful firm must comply with all applicable federal and state regulations and must be approved by CWDBH board resolution.

10. Contact

For all inquiries regarding this RFQ:

Greg Erpenbach, Board member greg.erpenbach@heightswaterdistrict.com

Pam Ellis, Board member pam.ellis@heightswatrdistrict.com



Done by the order of the Board of County Water District of Billings Heights, Yellowstone
County, Montana on this 10th day of November, 2025.

BY: _____

ITS: President Jeff Essman

ATTEST: _____

Board Secretary