

CWEP

BOARD MEETING MINUTES

April 18, 2024

The Carthage Water & Electric Plant Board met in regular session April 18, 2024, 1:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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| ☒ Brian Schmidt - President | ☒ Sid Teel - Member |
| ☐ Ron Ross- Vice President | ☒ Tom Garrison – Member |
| ☒ Darren Collier -Secretary | ☒ G. Stephen Beimdiek- Member |
| ☐ Alan Snow -Liaison | |

Staff:

- | | |
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| ☒ Chuck Bryant-General Manager | ☒ Jason Choate-Director of Water Services |
| ☒ Cassandra Ludwig-General Counsel | ☒ Kelli Nugent/CFO |
| ☒ Jason Peterson-Director of IT & Broadband | ☒ Kevin Emery-Director of Power Services |
| ☒ Megan Kirby- Executive Assistant | ☒ Stephanie Howard-Director of Business & ED |

Other Staff Present: Mandy Bates, Accountant; Ben Schwarting, Accountant

Others present: Terri Heckmaster, council member; Jana Schramm, Council member

President Schmidt called the meeting to order at 1:00 p.m.

ADDITIONS/CHANGES TO THE AGENDA:

APPROVAL OF MINUTES:

A motion by Collier and seconded by Beimdiek to approve the minutes of the special meeting of April 10th, 2024, as presented, passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Beimdiek and seconded by Collier to approve disbursements for March in the amount of \$3,815,230.53, passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the March 2024 financials to the Board, noting that combined operating expenses were under budget for the month and year to date. She noted combined operating revenues exceeded budget for the month and year to date. Purchased power expense continues to be lower than expected. Water revenues for the month of March landed slightly less than budget, but water operating expenses were less than budget for the month. Wastewater revenues exceeded budget for the month and wastewater operating expenses

were under budget for the month. Communication revenues were short of budget for the month and communication operating expenses were less than budget for the month. Year to date, the combined utility operating revenues are approximately 1.5% ahead of budget and operating expenses are 2% less than budget.

A motion by Beimdiek and seconded by Collier to approve the March 2024 financials passed unanimously.

COMMITTEE REPORTS: None.

CITIZENS PARTICIPATION PERIOD: None.

OLD BUSINESS: None.

NEW BUSINESS:

1. Consideration of bids for the ARPA Sanitary Sewer Line (CIPP) Renovation

General Manager Bryant reported the bids that were submitted March 21, 2024, for the ARPA Sanitary Sewer Line Renovation (CIPP) project had been reviewed and it was confirmed Ace Pipe Cleaning, Inc., of Kansas City, Missouri as the apparent low bidder in the amount of \$1,980,111.68. Ace Pipe Cleaning has indicated their ability to obtain all necessary bonds and insurance and to perform the work in a timely manner. GM Bryant noted \$2 million was allocated from the Missouri Legislature for the project and thanked Representative Cody Smith for his efforts in securing this vital funding for Carthage.

A motion by Collier and seconded by Beimdiek to award this project to Ace Pipe Cleaning in the amount of \$1,980,111.68, passed unanimously.

2. Discussion of compensation study and consideration of next steps

GM Bryant noted the compensation study committee met last week with Lockton. Lockton presented where they currently stand with the study. GM Bryant reported things appear to be in line with Budget. He noted how pleased with the progress he is and commended Lockton's professionalism and transparency throughout the process. GM Bryant noted that, as discussed in the previous meeting, Lockton is ready to move forward with the next phase of the study.

A motion by Collier and seconded by Beimdiek to continue moving forward with the Lockton Study, with recommendations as presented by Lockton, passed unanimously.

3. Consideration of Fiscal Year 2024-2025 Budget

General Manager Bryant and staff presented a budget draft for fiscal year 2024-2025. Board members discussed wages, rate adjustments, procurement issues, ongoing infrastructure

needs, major items including revenues, operating expenses, capital expenditures and cash reserve projections.

A motion by Beimdiek and seconded by Garrison to approve the proposed CWEP Fiscal Year 2024-2025 budget, including the proposed rate adjustments, for presentation to the Carthage City Council, passed unanimously.

STAFF REPORTS:

GM Bryant reported an event occurred this morning to our system of what originally appeared to be a cyber event but ended up just being a loss of signal to a couple servers. He commended staff for their quick response in getting things back up and running. GM Bryant noted the new Customer Academy event has been well attended and well received the past three Wednesday evenings. He noted the customers who attend want to be there and they want to learn. He appreciated the work staff has done to put great information together for the event. He noted he has really enjoyed the interaction with the customers, it's been a really rewarding experience and a good representation of the utility. GM Bryant mentioned the Customer Academy is an event they will definitely continue to offer in the future. GM Bryant thanked Accountants Ben and Mandy for their efforts in completing the budget. GM Bryant referenced a recent news article about Missouri DNR's ongoing investigation into the source of contaminated ground water in Carthage. GM Bryant reminded the Board of what happened back in 2019/2020 timeframe when trace amounts of PCE (tetrachloroethylene) were found in the raw water of three CWEP wells, noting that two of those wells were taken offline immediately and PCE was never detected in the treated water sent out in the system. He informed the Board that DNR may conduct additional testing of private wells in their efforts to determine the location and cause of the PCE plume.

CFO Nugent gave her appreciation to all staff on all their hard work and efforts during the budget process.

General Counsel and Director of Customer Relations Ludwig commended Meagan Milliken for coming up with the Customer Academy idea. She noted that its nice to interact with customers who want to learn about the utility. Ludwig reported the customer newsletter went out last week. She noted you can now track your usage anytime online or by the mobile app. She announced the Tower 2 Tower Run is scheduled for Saturday, May 11th.

Director of IT and Broadband Peterson noted the customer newsletter is definitely working as they have had several fiber requests this week. He commended his staff for the quick response in getting the internal servers back up and running for staff.

Director of Business and Economic Development Howard gave an industrial update.

BOARD MEMBER COMMENTS:

Board President Teel mentioned he has been attending the Customer Academy sessions the last three weeks and has really enjoyed it. He recommended to continue doing more Customer Academies in the future.

Board Secretary Collier commended staff for their incredible work on getting power back on after storms went through Carthage and caused damage throughout the city.

Board Member Beimdiek expressed his appreciation to Director of Business and Economic Development Stephanie Howard and CEDC Chief Executive Officer Jeff Meredith for all their efforts. He noted they are doing great things for Carthage.

City Council Member Terri Heckmaster thanked staff for an excellent presentation of the budget.

At 4:17 pm, a motion by Beimdiek and seconded by Collier to adjourn the meeting passed unanimously.

President – Brian Schmidt

Secretary – Darren Collier