CWEP
BOARD MEETING MINUTES

The Carthage Water & Electric Plant Board met in regular session August 20, 2026, 3:00 p.m. at the CWEP Office, 627 W. Centennial, Carthage, MO.

Board:

☒Brian Schmidt - President
☒Ron Ross- Member*
☒Darren Collier - Member
☒Jack Perkins - Liaison
☒ Sid Teel – Vice President
☒Tom Garrison – Secretary
☒ Mark Gier – Member

Staff:

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

* Present via videoconference

Others present: Accountant Mandy Bates; Mayor Bren Flanigan

President Schmidt called the meeting to order at 3:00 p.m.

ADDITIONS/CHANGES TO THE AGENDA: None.

CITIZENS PARTICIPATION PERIOD:

Rick McVey addressed the Board with concerns about his water bill.

APPROVAL OF MINUTES:

A motion by Collier and seconded by Teel to approve the minutes as presented of the regular meeting of July 16th, 2026, passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Gier and seconded by Garrison to approve disbursements for July in the amount of $5,725,882.99, passed unanimously.

REPORT OF OPERATIONS:

Dir. of IT Services Peterson provided an update on Fiscal Year 2026 noting Operating revenues were 9.3% over FY2025 and 1.2% over budget. He noted Operating income finished at a favorable 56%. He noted the budget beat was led by fiber operating expense which closed out at a favorable 29%. He went over July financials noting operating revenues were up 8.9% from July 2025 and operating expenses favorable. He reported there were 54 residential fiber installations and 2 fiber service upgrades with a take-rate of 45.74%.

Dir. of Water Services Choate noted payroll costs for the water department were -$42,500 with the majority resulting from 3 payrolls in June. Transportation costs were +$71,000 and inventory was negative $2400 due to inventory variance at year end. He noted the change in net position was positive for the year mainly due to a delay in water line replacements. He reported equipment and supplies for the wastewater department were negative from a pump replacement. He noted a change in net position negative variance for the year was carried over from the ARPA project in the previous year. For July, he reported sales for water were negative. He noted the heat contributing to our utilities being higher and hydrant maintenance being significantly higher with intern helping paint hydrants. He noted change is net position was positive $75,500. Wastewater sales were positive. Lift station pump and maintenance was over due to semi annual generator inspections. Equipment and supplies were also over for generator inspection and due to the timing of bulk grease purchase. Wastewater department finished July positive $106,000 in change in net position.

Dir. of Power Services Emery noted that for year end, purchase power costs were $1.02 million over budget. A reduction in generation revenues due to Sikeston, Plum Point, and Dogwood being offline for an extended period of time at the end of 2025 and unbudgeted transmission expenses being allocated to the transmission zone CWEP operates in were the main drivers of this. He noted for July, warm weather led to a decent amount of demand during which resulted in operating revenues being over budget by almost $18,000 with residential and industrial being the main contributors. Purchase power energy expenses were over budget. Load exceeded what was budgeted and Dogwood and Plum Point energy expenses were higher than expected. Purchase power demand expenses were over budget due to not receiving as much revenue for excess summer capacity sales. Overhead line maintenance expenses were under budget due to CWEP's main maintenance crew focusing their efforts on pole replacements that are accounted for as a capital item instead of maintenance. This was due to the MPUA crew being reassigned to a different community for the time being.

FINANCIAL STATEMENT:

CFO Nugent presented the year-end financial results, reporting that the change in net position exceeded the budgeted $4.3 million by approximately $2.7 million. The variance primarily reflected Purchase Power Adjustment (PPA) revenue that offset higher purchased power expenses, deferred expenses for projects such as the Integrated Resource Plan and Stockton Lake water allocation, and stronger than expected investment income as interest rates remained above projections.

The July financial statements were presented and were ahead of budget. However, as July is the first month of the fiscal year, timing differences in projects and expenditures often result in expenses being below budget early in the year.

A motion by Gier and seconded by Collier to approve the June 2026 and July 2026 financials passed unanimously.

<u>COMMITTEE REPORTS:</u> None.

<u>OLD BUSINESS:</u> None.

<u>NEW BUSINESS:</u>

1. **Consideration of Bids for Articulating Telescopic Bucket Truck**

General Manager Bryant noted a request for approval to proceed with the purchase of a new 2028 model, 41-foot articulating telescopic bucket truck for the Electric Distribution department. This bucket truck meets the specifications and CWEP requirements and is available for purchase from Altec Industries, Inc. through a competitively solicited cooperative contract for $272,327.00. This cost falls below the budgetary limit of $280,000.00 and is estimated to be delivered in 2029.

Due to potential inflation and market volatility, the pricing for this vehicle is subject to change and will be confirmed closer to the production date.

A motion by Garrison and seconded by Teel to award the purchase of this vehicle to Altec Industries, Inc. in the amount of $272,327.00, passed unanimously.

2. **Consideration of Bids for Crew Cab Truck for Water Distribution**

General Manager Bryant reported proposals were requested for a new 2026 ¾-ton Crew Cab Truck for the Water Distribution department and received the following proposals:

- NRoute Enterprises, LLC $55,499.00, 15-day lead time, 2026 Ford
- Nashville Automotive, LLC $56,200.00, 90-day lead time, 2026 Chevrolet
- Hendrick Automotive Group $56,742.50, 40-60 day lead time, 2026 Chevrolet
- Rush Truck Centers of Joplin $57,405.0, 21-day lead time 2026 Ford

After Review, the water distribution department determined that the 2026 Ford from NRoute Enterprises, located in Ozark, Missouri, best meets the required specifications and overall needs of the department.

A motion by Gier and seconded by Collier to award the purchase of the 2026 Ford F-250 to NRoute Enterprises in the amount of $55,499.00, passed unanimously.

3. **Consideration of Bids for Vacuum Jetter Truck**

General Manager Bryant noted a request for approval to proceed with the purchase of a new 2027 combination vacuum jetter truck, which was budgeted for CWEP's new fiscal year.

The purchase of this industrial truck from Vac-Con, Inc. in the amount of $657,000.00 is available under the Sourcewell governmental cooperative contract. This truck will meet the specifications and operational needs of CWEP's departments and will serve a range of maintenance, cleaning, and emergency response needs. The purchase price is within the appoved budget amount. Delivery of this vehicle is estimated for late November of this year.

A motion by Collier and seconded by Teel to award this purchase to Vac-Con, Inc. in the amount of $657,000.00, passed unanimously.

4. **Recommendation to proceed with Track Loader Lease**

General Manager Bryant reported a request for approval to enter into a lease agreement with Caterpillar Financial Services Corporation for the acquisition of a new 2026 275-05XE track loader to support the operational needs of CWEP.

The proposed lease payment is $23,475.08 annually for four years, for a total lease commitment of $93,900.32. This equipment will be utilitzed across various CWEP projects, improving departmental efficiency and safety while providing reliable assistance for ongoing and furture infrastructure improvements.

The track loader is offered through a cooperative purhcasing contract, providing CWEP with competitive pricing while maintaining compliance with procurement requirements. Funding for this lease has been approved in the current fiscal year budget.

A motion by Teel and seconded by Garrison to approvel the lease agreement with Caterpillar Financial Services Corporation for a new track loader, passed unanimously.

5. **Consideration of Sub 4 Galvanized Steel Structure**

General Manager Bryant noted a formal request was issued seeking qualified vendors to supply galvanized steel structures for Substation 4.

Proposals were received from Advanced Steel & Crane, Inc., in the amount of $282,362.40, Klute, Inc. in the amount of $319,430.86, Galvanizers, Inc. in the amount of $336,073.60 and MICA Steelworks, Inc. in the amount of $558,959.00.

After a thorough assessment, Advanced Steel & Crane, Inc., contingent on negotiation of mutually agreeable Terms and Conditions, met all specifications and requirements of Allgeier, Martin and Associates, Inc.'s requests on behalf of CWEP and offered the lowest project cost.

A motion by Gier and seconded by Teel to award this project to Advanced Steel & Crane, Inc., in the amount of $282,362.40, passed unanimously.

6. **Resolution 2026.09: A Resolution authorizing a loan to the CEDC through the CWEP Revolving Loan Fund**

General Manager Bryant presented Resolution 2026.09: a resolution to authorize a loan to the CEDC. He noted The CEDC applied for a $30,000 loan from the revolving load fund to assist with the purchase of forty additional acres of land adjacent to the existing Carthage Economic Development Park. He reported the CWEP Loan Committee reviewed the proposed project, financial information, and anticipated community impact and finds the proposed project will increase the availability of land designated for future economic development, thereby satisfying the purpose by which the revolving loan fund was created.

A motion by Collier and seconded by Garrison to approve Resolution 2026.09: A resolution authorizing a loan to the CEDC through the CWEP revolving Loan Fund, passed unanimously.

STAFF REPORTS:

GM Bryant reported that the City of Miller reached out regarding assistance on their water system, very similar to the assistance CWEP provides on the electrical side for the City of Lockwood. He noted Choate is working to structure a game plan for assisting the City of Miller. He reported he attended the SPRA Executive Committee meeting and NextEra meeting. GM Bryant announced that next month's Board meeting will include a special dedication and unveiling of the new Steve Beimdiek Boardroom. A reception will be held prior to the meeting, and a Resolution will be presented to the Board for approval.

CFO Nugent reported the accounting department completed fiscal year-end closing and is preparing for the annual audit with fieldwork scheduled for the week of Labor Day.

General Counsel & Dir. of Customer Relations Ludwig announced the new website is live. She noted the entire process with Powerful Web Solutions, the selected vendor, was very organized and the training they provided for the back-end was top notch. She reported the process has started with GreatBlue Research for the customer satisfaction survey with hopes to release the survey in November.

Director of Water Services Choate reported intern Kutler Schwarting was a great help this summer, painting over 200 hydrants around town. He noted ASTERRA leak detection crew will be in town the week of August 24th to identify the points of interest. He mentioned ACE lined the sewer main that will be under the entrance to the new road for the Economic Development

Park. He noted the sewer use/pretreatment ordinance revision is in the final stages to be approved by CWEP legal and GM before presenting to the Board. He reported he attended the Safe Drinking Water Commission meeting in Jefferson City. He also attended the SWMO Water coalition meeting.

Dir. of Power Services Emery reported Black and Veatch continue to work on the load forecast and scenarios to be evaluated. Emery noted he attended the NextEra Public Power Summit and commended their staff members on being prepared and always doing a great job presenting information related to their areas of expertise.

BOARD MEMBER COMMENTS:

At 4:49 pm Gier moved to adjourn, Garrison seconded, and the meeting adjourned.

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President – Brian Schmidt

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Secretary – Tom Garrison