

CWEP BOARD MEETING MINUTES

November 16, 2020

The Carthage Water & Electric Plant Board met in regular session November 16, 2020, 4:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

- G. Stephen Beimdiek- President
- Danny Lambeth -Vice President
- Ron Ross -Secretary
- Alan Snow -Liaison

- Brian Schmidt - Member
- Pat Goff – Member
- Neel Baucom - Member

Staff:

- Chuck Bryant-General Manager
- Cassandra Ludwig-General Counsel
- Jason Peterson-Director IT & Broadband
- Megan Stump- Executive Assistant
- Meagan Milliken-Customer Relations Mgr.

- Jason Choate-Director of Water Services
- Kelli Nugent/CFO
- Kevin Emery-Director of Power Services
- Stephanie Howard-Director of Business & ED

Vice President Lambeth called the meeting to order at 4:03p.m.

ADDITIONS/CHANGES TO THE AGENDA:

General Manager Bryant introduced newer employees: Jake Brunnert-Water Distribution/Collections Operator; Joseph Katzfey-Water Distribution/Collections Operator; Jost Tiffany- Water Distribution/Collections Operator; Levi Milford- Communications Field Tech; Adam Ogle- Communications Field Tech; Joshua Bowers- Apprentice Dispatcher; Kim James- Customer Service Representative; Mary Gray- Accountant.

APPROVAL OF MINUTES:

A motion by Baucom and seconded by Schmidt to approve the minutes of the regular meeting of October 15, 2020 as presented passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Goff and seconded by Baucom to approve disbursements for October in the amount of \$3,605,886.50 passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the financials for October noting that the revenues were in line with budget for the month and ahead of budget for the year to date. Expenses were lower than budget for year to date but exceeded budget for the month mainly due to purchase power costs. She noted that power and water loss percentages for the month were -1.70% and 3.44%, respectively.

A motion by Ross and seconded by Baucom to approve October financials passed unanimously.

COMMITTEE REPORTS: None.

CITIZEN'S PARTICIPATION PERIOD: None.

OLD BUSINESS: None.

NEW BUSINESS:

PRESENTATION OF THE FISCAL YEAR 2020 AUDIT

Rebecca Friedrich, CPA with KPM CPAS & Advisors of Springfield, MO, presented the FY 2019-2020 audit report stating this was an unmodified clean opinion. It was also reported that KPM found no material weaknesses, no non-compliance issues, and no significant control deficiencies. Friedrich commended CWEP staff for their cooperation through the audit process. CFO Nugent expressed appreciation for KPM's professionalism and efficiency in the audit process as well as their guidance when needed throughout the year.

A motion by Schmidt and seconded by Baucom to accept the audit for FY 2019-2020 as presented passed unanimously.

RECOMMENDATION FOR THE PURCHASE OF A VALVE TURNING MAINTENANCE TRAILER

General Manager Bryant reported a formal request was issued seeking proposals to purchase a valve turning maintenance trailer for the CWEP water department. Proposals received were from Red Municipal & Industrial Equipment Co. in the amount of \$47,500.00, Key Equipment & Supply Company for \$52,752.00 and Schulte Supply for \$66,372.50. After evaluation of all proposals, it was determined that the unit that Schulte Supply offered is a heavier duty machine, has a larger tank, and features an auxiliary hydraulic pump, which will meet CWEP's needs and expectations this year.

GM Bryant recommends awarding this purchase to Schulte Supply in the amount of \$66,372.50.

A motion by Baucom and seconded by Goff to award this purchase to Schulte Supply, passed unanimously.

RECOMMENDATION FOR THE WATER TREATMENT PLANT INTERIOR PAINTING

General Manager Bryant noted a formal invitation for bid was issued seeking qualified contractors to provide commercial interior painting services on the main floor, basement, and stairways at the water treatment plant. Bryant reported Four contractors attended a mandatory pre-bid tour of the project site. Of the four contractors that attended, only one bid was submitted to CWEP. Bussey's Painting, Inc. bid a total project cost of \$107,000.00 for all materials and labor. He noted Bussey's painting has provided previous painting services to CWEP with exceptional results.

A motion by Schmidt and seconded by Goff to award this painting project at the water treatment plant to Bussey's Painting, Inc. in the amount of \$107,000.00, passed unanimously.

APPROVAL OF LENDER FOR FINANCING OF THE FIBER EXPANSION PROJECT

General Manager Bryant reported proposals were received from three financial institutions through Missouri Public Utility Alliance Finance Program, which offers financial programs and municipal leases to assist in financing the communications system expansion project.

Proposals for project proceeds of \$7,000,000 over 10-year, 12-year and 15-year lease options were received from First State Community Bank, Arvest Equipment Finance, and Central Bank of the Midwest. Of those received, First State Community Bank delivered the lowest fixed, all-in rate of 2.625% interest over 15 years and no penalty for an early pay-off. Origination, legal and trustee setup fees will be due at lease signing. In addition, there will be a \$1,500 annual trust fee.

Mike Loethen, CFO and Vice President of Administrative Services with Missouri Public Utility Alliance walked through the process of the Finance Program and answered questions staff and Board members had regarding the program.

The Board recommends and requests the City Council to approve a lease financing transaction with First State Community Bank and the Missouri Association of Municipal Utilities in an amount not to exceed \$7,000,000. The Board agrees to perform all duties and obligations incurred by the City on behalf of the Board in the Ordinance and all documents necessary for the lease financing transaction. The Board's officers, agents, and employees are authorized and directed to take such further action and execute such documents, certificates, and instruments as may be necessary or desirable to carry out and comply with this recommendation.

A motion by Goff and seconded by Schmidt to award the financing for this project to First State Community Bank with a 15-year term at 2.625% all-in fixed rate and make this recommendation to the City Council, passed unanimously.

STAFF REPORTS:

General Manager Bryant gave a COVID update to the board and noted CWEP is in a positive position with availability and workforce, he commended managers and staff for doing a good job at isolating the transmission of COVID among employees. GM Bryant noted there will be no Christmas party this year, but things are in the works so that staff still feels appreciated this time of year for all they have done. He reported the outage on Saturday was not an issue with a transformer, the outage was actually caused by a squirrel. Bryant praised staff for getting services back up and running quickly. GM Bryant applauded Director of Business and ED Howard for all her work with Missouri Partnership and the city to get a new tenant and customer for the Justin Boot Building.

CFO Nugent reported she has been working back at the office training new Accountant, Mary Gray. She noted Customer Service continues to rotate staff from working at home to working from the office to keep staff separated. She commends her staff for doing a great job keeping up with everything.

Director of Power Services Emery expressed his appreciation to his staff for all their efforts in getting power restored on Saturday, November 14th.

Director IT and Broadband Peterson reported there has been a significant increase in lead time for fiber material and even some items currently unavailable, he noted Fiber deployment will be adapted to accommodate material availability.

BOARD MEMBER COMMENTS:

At 5:11p.m. the meeting adjourned.

President – Steve Beimdiek

Secretary – Ron Ross