

CWEP BOARD MEETING MINUTES

September 22, 2023

The Carthage Water & Electric Plant Board met in regular session September 21, 2023, 4:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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| <input checked="" type="checkbox"/> Brian Schmidt - President | <input checked="" type="checkbox"/> Danny Lambeth* - Member |
| <input checked="" type="checkbox"/> Ron Ross* - Vice President | <input checked="" type="checkbox"/> Pat Goff – Member |
| <input checked="" type="checkbox"/> Darren Collier -Secretary | <input checked="" type="checkbox"/> G. Stephen Beimdiek- Member |
| <input checked="" type="checkbox"/> Alan Snow -Liaison | |

Staff:

- | | |
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| <input checked="" type="checkbox"/> Chuck Bryant-General Manager | <input checked="" type="checkbox"/> Jason Choate-Director of Water Services |
| <input checked="" type="checkbox"/> Cassandra Ludwig-General Counsel | <input type="checkbox"/> Kelli Nugent/CFO |
| <input type="checkbox"/> Jason Peterson-Director of IT & Broadband | <input checked="" type="checkbox"/> Kevin Emery-Director of Power Services |
| <input type="checkbox"/> Megan Kirby- Executive Assistant | <input checked="" type="checkbox"/> Stephanie Howard-Director of Business & ED |

Other Staff Present: Kyle Fewin, Human Resources & Safety Coordinator

* Attended via videoconference

President Schmidt called the meeting to order at 4:06 p.m.

ADDITIONS/CHANGES TO THE AGENDA: None.

APPROVAL OF MINUTES:

A motion by Collier and seconded by Beimdiek to approve the minutes of the regular meeting of August 17, 2023, as presented, passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Goff and seconded by Beimdiek to approve disbursements for August in the amount of \$4,461,829.23, passed unanimously.

FINANCIAL STATEMENT:

GM Bryant presented the August 2023 financials to the Board, noting that for the first two months of the FY, the consolidated net income is running slightly ahead of budget by approximately \$73,000. Purchased power costs exceeded budget for the month and are above budget year-to-date by approximately 3%. Plum Point did not run well for the month of August, and we did not receive any supplemental hydropower. We did generate quite a bit in August because of high market prices during the heat wave, causing natural gas consumption and costs to be higher than budgeted. Tree trimming costs are higher than budgeted for the month because Poor Boy is running two crews, but will level out later in the fiscal year. Other costs are in line with budget. Water revenues fell short of budget due to reduced consumption in both residential and commercial classes. Wastewater revenues exceeded budget due to the industrial rate class, and operating expenses were over budget due to the repair of an influent motor. Communication revenues exceeded budget and expenses are below budget.

A motion by Beimdiek and seconded by Collier to approve the August 2023 financials passed unanimously.

COMMITTEE REPORTS: None

CITIZENS PARTICIPATION PERIOD:

Council Member David Armstrong asked the Board questions about the Board's legal representation and status of any potential lawsuit to be filed against him.

OLD BUSINESS: None.

NEW BUSINESS:

1. Consideration of proposals to supply T2-1 Relay Equipment for Substation No. 2

GM Bryant presented the bids obtained by Allgeier, Martin & Associates for vendors to supply T2-1 relay equipment for the upgrade at Substation No. 2. Proposals were received from Electrical Power Products, Inc. in the amount of \$84,255.00, SEL, Inc. in the amount of \$85,185.00, and Keystone Electrical Mfg., Inc. in the amount of \$70,743.86. Barton Nichols with Allgeier, Martin & Associates noted in his recommendation letter that after a thorough assessment, Electrical Power Products, Inc. met the specifications and requirements for the project, and while Keystone was the low bidder, they have not been pleased with the quality of their products and would not recommend moving forward with their proposal. He recommended CWEP select Electrical Power Products, Inc. for the project. Board Member Goff praised the work done by Allgeier, Martin & Associates to fairly evaluate the proposals and offer honest feedback to CWEP.

A motion by Collier and seconded by Goff to approve the proposal from Electrical Power Products, Inc. in the amount of \$84,255.00 passed unanimously.

2. Consideration of the purchase of a bucket truck

GM Bryant discussed the need for the electric department to order a new bucket truck, particularly since lead times have become increasingly long for such equipment. He presented the cooperative contract bid from Altec Industries, Inc. for a 2027 model, 41-foot articulating telescopic bucket truck in the amount of \$274,689.50, noting the four-year lead time and likely price increases which will happen prior to delivery. GM Bryant pointed out to the Board that only a few years ago, the exact same vehicle used to cost less than \$200,000, with a lead time of around a year. He discussed the importance of maintaining the CWEP fleet.

A motion by Beimdiek and seconded by Collier to approve the purchase of the 41-foot articulating bucket truck from Altec Industries, Inc. in the amount of \$274,689.50 passed unanimously.

3. Consideration of revisions to Article XLVII: Work Schedules Policy

General Counsel Ludwig presented the modifications to CWEP's Article XLVII: Work Schedules policy to the Board, noting that the change was being made to ensure nothing violated the FLSA. She informed the Board that though the practice of recording time for shift workers on Sunday night shifts is not being done in a way that violates the FLSA, the policy was old and was never updated to remove that language.

A motion by Goff and seconded by Beimdiek to approve the proposed revisions to Article XLVII: Work Schedules Policy passed unanimously.

4. Consideration of revisions to the Electric Mutual Aid Assistance Policy

General Counsel Ludwig presented proposed revisions to the Electric Mutual Aid Assistance Policy, explaining that for mutual aid situations, the policy must be presented to the requesting utility and all requests for reimbursement must follow the policy. She discussed the need to clarify how travel time should be paid to ensure CWEP can accurately bill the requesting utility and collect reimbursement for costs involved with the mutual aid response.

A motion by Ross and seconded by Lambeth to approve the proposed revisions to the Electric Mutual Aid Assistance Policy passed unanimously.

5. Consideration of revisions to the Mutual Aid Reimbursement Policy

General Counsel Ludwig presented the revisions to the Mutual Aid Reimbursement Policy, noting that the revisions are a clarification for how materials will be billed to the requesting utility for mutual aid requests.

A motion by Goff and seconded by Beimdiek to approve the proposed revisions to the Mutual Aid Reimbursement Policy passed unanimously.

6. Consideration of health insurance proposals

General Counsel Ludwig presented to the Board the health insurance proposals received, noting that each year in September, CWEP receives bids for health insurance, with October being the month for open enrollment and the new plan beginning November 1. She noted that several bids were received and while one of the bids was competitive, it would raise the out-of-pocket costs for employees, change the timing for this year's out-of-pocket expenditures for employees who still had treatments planned for the rest of the year, and does not include all providers which CWEP currently has on the Cox Health plan. Additionally, the company would not agree to lock in prices for future years, which presents the high likelihood of premiums raising in two or three years. She presented a history of price increases with Cox, noting that Cox has been wonderful to work with and has not raised premiums since 2018. In 2021, Cox actually reduced premiums for CWEP. This year, Cox proposed to once again keep premiums the same for CWEP, with all deductibles, out-of-pocket, copay, and other benefits remaining the same under the plan. GM Bryant thanked HR & Safety Coordinator Fewin and the entire wellness committee for their work in promoting the wellness program and educating employees on how to best use their health insurance.

A motion by Collier and seconded by Goff to approve the renewal of the Cox Health Plans, and for tobacco policies to remain in place, with tobacco users paying 25% of the cost of their premiums, passed unanimously with Beimdiek abstaining from the discussion and vote.

General Counsel Ludwig presented the renewal option for VSP vision insurance, highlighting that this is a benefit that is entirely employee paid and CWEP does not contribute towards. She noted VSP has not raised premiums for several years and this year are proposing a 5% increase, which amounts to a little under a dollar per month for most employee plans.

A motion by Goff and seconded by Collier to approve renewing VSP's vision insurance plan passed unanimously, with Beimdiek abstaining from the discussion and vote.

General Counsel Ludwig presented the renewal proposal for CWEP's dental insurance plan, again noting that CWEP does not contribute towards dental insurance for employees. She discussed that Delta Dental's proposal is to keep premiums the same, and that more dental providers in Carthage accept Delta than other options.

A motion by Ross and seconded by Collier to approve the renewal of Delta Dental insurance passed unanimously, with Beimdiek abstaining from the discussion and vote.

STAFF REPORTS:

GM Bryant discussed the situation between the City Council and CWEP, and how it has weighed heavily on the minds and hearts of CWEP employees, making many of them fear for their futures and job security. As a result, a local union has reached out to some employees. So far, at least two meetings have been held between employees and union representatives. He discussed his desire for the issue to be resolved and for trust to be rebuilt between the different groups.

GM Bryant updated the Board on the status of Sikeston, noting there will be a meeting next week between all parties to discuss the status and next steps. He also updated the Board on the status of the SPP transmission study which CWEP is involved with because of the Dogwood energy purchase, explaining the first round of the study ended and estimated costs were presented to all parties. The study is not over, as the next step is for participants to confirm whether they wish to remain in the study or not, and the study will continue until all participants and costs are finalized. GM Bryant told the Board that recently, Piggot, AR, reached out to CWEP regarding potentially selling their Plum Point allotment to CWEP. These talks are in initial stages, but staff will be analyzing the potential purchase in the coming weeks and months.

GM Bryant praised CFO Kelli Nugent for her work with the APPA Accounting/Finance section, stating she did a fantastic job representing CWEP at the recent APPA Business & Finance conference.

GM Bryant noted that time-of-use rates continue to be a big topic of discussion for all utilities across the country, particularly as a way to get ahead of electrification of vehicles and the challenges faced for vehicle charging. He also noted that utilities continue to struggle to find qualified employees, with IOUs and Cooperatives being able to attract people easier than municipal systems can, typically because of the higher rate of pay.

GM Bryant noted the list for fiber internet installs continues to grow and the fiber crews are working hard to get homes hooked up to the system. He also invited the Board to the Chamber of Commerce coffee event on September 22 at the power plant.

General Counsel Ludwig pointed out a few upcoming events, including Public Power Week the first week of October and the October Food Truck Friday, which CWEP will be sponsoring.

Director of Power Services Emery informed the Board that the streetlights on Grand are being installed, and crews will start working on Sparkle in the Park next week and will hit the ground running for that project after the conclusion of Maple Leaf events.

Director of Water Services Choate updated the Board on the status of some water main installations, noting that two large ones are complete. He also updated the Board on the status of the Tristate water project.

Director of Business & Economic Development Howard noted that the continuing trend for RFIs we receive from the state is for a minimum of 50 MW load.

BOARD MEMBER COMMENTS:

Secretary Collier complimented Preston Storm, Clifton Kester, and Steve Cooper for their work during the rotary event at the beginning of the month, and he thanked Kyle Fewin and other CWEP staff for their work on the insurance proposals.

City Council Member Snow expressed his hope that the most recent letter from the Mayor to CWEP employees would help to calm some fears among CWEP employees. He also expressed his desire to get the due process ordinance passed.

Vice President Ross articulated his feelings on the CWEP/City issue and his hopes that the city realizes they are in a position to make things better and can take some steps towards improving the situation.

Board Member Lambeth praised the efforts of the CEDC over the last year, giving kudos to the entire group, as well as Jeff Meredith and Stephanie Howard for their work.

Board Member Goff congratulated Board Member Lambeth on his recent selection as the 2023 Maple Leaf Festival Grand Marshal.

At 5:32, a motion by Beimdiek and seconded by Collier to adjourn the meeting passed unanimously.

President – Brian Schmidt

Secretary – Darren Collier