

# CWEP

## BOARD MEETING MINUTES

The Carthage Water & Electric Plant Board met in regular session August 15, 2024, 3:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

### Board:

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|--|---|
| <input checked="" type="checkbox"/> Brian Schmidt -Secretary       | <input checked="" type="checkbox"/> Sid Teel - Member     |
| <input checked="" type="checkbox"/> Ron Ross- President            | <input checked="" type="checkbox"/> Tom Garrison – Member |
| <input checked="" type="checkbox"/> Darren Collier -Vice President | <input checked="" type="checkbox"/> Mark Gier - Member    |
| <input type="checkbox"/> Lori Leece -Liaison                       |   |

### Staff:

- |   |   |
|---|---|
| <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 checked="" type="checkbox"/> Kelli Nugent/CFO                              |
| <input checked="" 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-Economic Development Manager |

Others present: Jana Schramm, Councilmember; Tom Barlow, Councilmember; Traci Cox, Interim City Administrator

President Ross called the meeting to order at 3:06 p.m.

### **ADDITIONS/CHANGES TO THE AGENDA:**

### **APPROVAL OF MINUTES:**

A motion by Schmidt and seconded by Gier to approve the minutes as presented of the regular meeting of July 18, 2024, passed unanimously.

### **APPROVAL OF DISBURSEMENTS:**

Secretary Schmidt asked about the updated total of damage caused by the spring storms, including mutual aid, to which CFO Nugent responded that the storms caused approximately \$550,000 in damage to the electric system, and around \$70,000 to the fiber system.

A motion by Schmidt and seconded by Collier to approve disbursements for July in the amount of \$4,899,513.72, passed unanimously.

### **FINANCIAL STATEMENT:**

The June 2024 financial statements, which include the full fiscal year, were presented to the Board by CFO Nugent, noting that the combined Change in Net Position for the company exceeded the budget for the year by nearly \$1.9 million. Although much of this was attributed

to the cost of purchased power coming in less than budgeted and investment income exceeding budget, all four departments exceeded the budgeted change in net position for the year. Operating revenue for the year came in slightly higher for the year by \$84,000.

At 3:17, a short recess was taken

At 3:29, the meeting resumed.

CFO Nugent presented the July 2024 financial statements stating that the operating revenues for the month came in under budget by \$167,000, while the operating expenses came in lower by \$320,000 for a positive net operating income of \$153,000. In addition, investment income exceeded the budget by \$90,000 for the month. Overall, it was a good start to the new fiscal year.

A motion by Schmidt and seconded by Teel to approve the June financial statements passed unanimously.

A motion by Collier and seconded by Schmidt to approve the July financial statements passed unanimously.

**COMMITTEE REPORTS:** None.

**CITIZENS PARTICIPATION PERIOD:**

The following employees from the Customer Relations and Business/Finance departments introduced themselves to the Board:

David Lipscomb, Field Service Representative; Kourtney Andrews, Customer Service Representative; Amber Lasiter, Customer Service Representative; Savanna Jones, Customer Service Representative; Ben Schwarting, Utility Accountant; Mandy Bates, Utility Accountant; Simone Sneed, Accounts Payable Specialist; James Willis, Utility Inventory Manager; Ivy Artym, Purchasing Assistant; Dianne Southard, Purchasing Assistant.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

**1. Update From KPM Regarding Annual Audit**

General Manager Bryant welcomed Rebecca Baker to the meeting via videoconference and introduced her to the Board. Ms. Baker, who has been with KPM for 19 years, gave the Board an overview of how CWEP's annual audit is conducted. She noted that the audit looks at a variety of things, including but not limited to accounts receivable and payable, accounts held with financial institutions, inventory, internal controls, debt, and variances in revenues and expenditures. At the conclusion of the audit, KPM will express an opinion on CWEP's financial statements. She also noted that the audit process has already started and KPM will be visiting

CWEP in September, and the audit will be finalized once they can get information they need from Lagers, which is typically released in October. CFO Nugent commented that KPM also conducts interviews with various CWEP staff members, which varies from year-to-year.

No action was taken.

## **2. Consideration of Bids for Two ¾ Ton Crew Cab 4WD Pickup Trucks**

General Manager Bryant informed the Board that CWEP was recently able to locate two pickup trucks budgeted by the Water Distribution and Wastewater Collections Departments. Ed Morse Chevrolet North, California, MO, provided quotes for a used 2023 Chevrolet truck priced at \$46,934.00 and a new 2024 Chevrolet truck priced at \$56,083. Mayse Automotive, Aurora, MO, offered a new 2024 Ram truck for \$58,579.00. Budgeted amounts were \$80,000 per truck.

A motion by Collier and seconded by Garrison to purchase the new 2024 Chevrolet from Ed Morse in the amount of \$56,083, and the new Ram truck from Mayes Automotive in the amount of \$58,579.00, passed unanimously.

## **3. Consideration of Salary Administration Guidelines Policy**

General Manager explained to the Board that the current CWEP wage/salary administration policy had been in place for quite some time and needed updating, particularly since the compensation study with Lockton had been completed and implemented. Bryant discussed the replacement Salary Administration Guidelines Policy, noting that staff worked with Lockton in the development of the policy and that the policy captures how we operate today and will be updated annually in conjunction with the budget. He noted the new policy is more detailed and contains guidance for managing the salary structure, promotions, demotions, new hires, job descriptions and families, and performance management. He also gave the Board an update on the status of the performance management process currently underway with Lockton.

A motion by Schmidt and seconded by Collier to replace CWEP's Salary/Wage Administration & Performance Appraisal Programs Policy with the proposed Salary Administration Guidelines Policy passed unanimously.

### **STAFF REPORTS:**

General Manager Bryant commended Traci Cox, Interim City Administrator, for how well she communicates with him.

CFO Nugent reviewed the cash reserve policy with the Board, giving an update of calculations at the end of FY24. She noted the communication department's current calculation is negative due to the initial build-out phase of the fiber-to-the-home project and that it should level out over time as customers are added. Board Member Gier asked about trends with the

calculations, and Vice President Schmidt asked about whether we need to increase the number of days cash on hand given the uncertainty of Sikeston. GM Bryant discussed Sikeston's current status, noting that they are working through options for either converting the plant or building new generation at that site since it sits on the seam of MISO and SPP. Overall, it was determined CWEP's cash reserves are sufficient and no action was needed by the Board at this time. The calculations will be done again and presented to the Board during the budget work session.

CFO Nugent noted that she recently met with a vendor for inventory barcoding, and the vendor is a city councilman in Michigan. He noted how his city does not have a separate utility board and over the years, the council refused to address utility rate increases and infrastructure needs, which resulted in a proposed 50% increase to utility bills all at once.

General Counsel and Director of Customer Relations Ludwig reported that CSR interviews are underway. She gave an update to the Board on the Lockwood agreement, noting that CWEP will be increasing labor rates by 10% and equipment rates to match current FEMA rates, explaining that rates had not been increased since 2021. She also gave an update on the status of the locating services contract.

Economic Development Manager Howard gave an industrial update, noting there's a project Carthage hopes to be awarded and we should know in the coming weeks.

Director of IT and Broadband Peterson gave an update on fiber installs and stated that the IT team continues to spend considerable time working on improving cyber security measures and processes, noting that such work is time intensive and is continually evolving.

Director of Power Services Emery explained to the Board that the electric production department is still investigating the cause of the outage earlier in the day, which impacted multiple feeders in town.

General Manager Bryant commended Kelli Nugent on her recent appointment as Vice Chair for the APPA Business/Finance conference in 2025 and will serve as the Chair in 2026. He told the Board that John Twitty, President & CEO of the Missouri Public Utility Alliance recently announced his retirement, effective February 2025, noting that he was selected to serve on the hiring committee for that position.

#### **BOARD MEMBER COMMENTS:**

Vice President Collier expressed congratulations to the utility for receiving the Sue Kelly Community Service Award from APPA. He also commented on the use of the bulk water station and asked how Marian Days went for the electric department. GM Bryant responded that there were no issues with Marian Days because the electric distribution team spends considerable time prior to the event performing switching in the system to alleviate the load in that area of

town. Director of Power Services Emery noted the upcoming feeder 17 upgrades will also help this issue.

Board Member Gier commended staff for the amount of information provided to the Board.

President Ross commented on how much he appreciates the annual Christmas luncheon with all of the employees.

Council Member Barlow expressed his gratitude to the Board for allowing him to attend the meeting for Lori Leece, who had another commitment and was unable to attend. He expressed his appreciation for the Customer Academy CWEP hosted in the Spring, noting he was a graduate of the program.

At 5:07 pm a motion by Collier and seconded by Teel to adjourn the meeting passed unanimously.

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President – Ron Ross

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Secretary – Brian Schmidt