

CWEP BOARD MEETING MINUTES

January 20, 2022

The Carthage Water & Electric Plant Board met in regular session January 20, 2022, 4:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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

Staff:

- | | |
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| <input checked="" type="checkbox"/> Chuck Bryant-General Manager | <input 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 IT & Broadband | <input checked="" type="checkbox"/> Kevin Emery-Director of Power Services |
| <input checked="" type="checkbox"/> Megan Stump- Executive Assistant | <input checked="" type="checkbox"/> Stephanie Howard-Director of Business & ED |

Board Member Schmidt called the meeting to order at 4:04 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 November 18, 2021, as presented, passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Goff and seconded by Ross to approve disbursements for November in the amount of \$5,016,280.14, passed unanimously. Beimdiek abstained from this vote.

A motion by Ross and seconded by Collier to approve disbursements for December in the amount of \$3,615,260.86, passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the financials for November noting that the net income for the company was lower than budget for the month by \$150,846 but higher than budget year to date by \$1,467,237. Operating revenues for the company exceeded budget for the month and year to date by \$47,690 and \$1,581,514, respectively. Expenses for the company were higher than budget for the month and year to date by \$200,674 and \$116,518, respectively. She reported that power and water loss percentages are -1.19% and 16.53%, respectively.

A motion by Beimdiek and seconded by Ross to approve November financials passed unanimously.

CFO Nugent presented the financials for December mentioning they are in a slightly updated format. The net income for the month reflected a loss of \$236,496 compared to a budgeted loss of \$45,582. The milder temperatures in the month resulted in lower than expected electric residential revenues and work reduction during the Christmas break affected the industrial revenues. She reported a Plum Point plant outage due to repairs and a final resettlement from Winter Storm Uri resulted in higher than expected purchase power expense. Year to date, the net income is \$2,461,314 with a budgeted year-to-date net income of \$1,184,992.

A motion by Beimdiek and seconded by Collier to approve December financials passed unanimously.

COMMITTEE REPORTS: None.

CITIZENS PARTICIPATION PERIOD: None.

OLD BUSINESS: None.

NEW BUSINESS:

CONSIDERATION OF FY 2021-22-01 RETIREMENT RESOLUTION FOR JOEL TERRY

General Manager Bryant recognized the retirement of Powerplant Dispatcher Joel Terry, reading a resolution in his honor. GM Bryant thanked Terry for his 10 plus years of faithful service. Joel expressed his love and appreciation for his job and commended CWEP for keeping his departure on the down low.

A motion by Goff and seconded by Beimdiek to approve the retirement resolution for Joel Terry, passed unanimously.

CONSIDERATION OF FY 2021-22-02 RETIREMENT RESOLUTION FOR KIT HEISTEN

General Manager Bryant recognized the retirement of Billing Coordinator Kit Heisten, reading a resolution in her honor. GM Bryant thanked Heisten for her 22 plus years of faithful service and wished her all the best going forward.

A motion by Ross and seconded by Goff to approve the retirement resolution for Kit Heisten, passed unanimously.

PRESENTATION BY TYR ENERGY

General Manager Bryant welcomed Bob Moyer and Joe Helms with Tyr Energy to the meeting. Bob Moyer updated the Board on electric system market conditions and explained the differences between various resource types. Joe Helms updated the Board on the natural gas outlook. Both gentlemen answered questions from the Board.

General Manager Bryant thanked Moyer and Helms with Tyr Energy for coming and sharing their knowledge and thoughts with the Board. Bryant expressed his appreciation for their partnership with CWEP.

CONSIDERATION OF BIDS TO PERFORM ELECTRO-MECHANICAL RELAY TESTING

GM Bryant noted a formal request was advertised and presented to several vendors seeking proposals to perform testing of protective electro-mechanical relays. A sole proposal was received from Independent Electric Machinery Co., Inc. in the amount of \$33,975.00. One vendor declined to offer a proposal stating they would not be able to complete the job before the April 2022 required deadline due to a full schedule. There were no other responses received.

GM Bryant recommends awarding this relay testing project to Independent Electric Machinery Co., Inc. in the amount of \$33,975.00, which is below the budgeted amount. Bryant noted this highly skilled vendor has previously provided other service projects to Carthage Water and Electric Plant, which have proven to be successful.

A motion by Ross and seconded by Collier to award this relay testing project to Independent Electric Machinery Co., Inc. in the amount of \$33,975.00, passed unanimously.

CONSIDERATION OF FY 2021-22-03 RESOLUTION TO TEMPORARILY SUSPEND THE PURCHASING POLICY

General Manager Bryant noted that with the procurement issue the country is going through, a request has been made to temporarily suspend the purchasing policy until June 30, 2022. GM Bryant noted this way CWEP can move quicker to get product in and buy what needs to be bought when it is available and ensure CWEP can continue providing reliable utility services for the city. GM Bryant noted all variations from policy will be documented and tracked, and all purchases which would normally require Board approval will still be presented to the Board as soon as possible.

A motion by Ross and seconded by Collier to pass FY 2021-22-03 Resolution to temporarily suspend the Purchasing Policy, effective through June 30, 2022, passed unanimously.

CONSIDERATION OF COST-OF-LIVING ADJUSTMENT

General Manager Bryant highlighted to the Board the rapidly increasing cost of living, noting that many other cities and utilities are making mid-year cost of living adjustments to account for the rising inflation. GM Bryant recommended making a cost of living adjustment to help keep wages competitive and retain staff.

A motion by Ross and seconded by Collier to approve a cost-of-living adjustment of 3.5%, effective February 1, 2022, passed unanimously.

DISCUSSION OF ECONOMIC DEVELOPMENT ACTIVITIES

General Manager Bryant noted the CEDC has been working closely with ADY Advantage and have concluded work to develop an Economic Development Strategic Plan for Carthage. GM Bryant noted that now the hard work of implementing the plan will begin. Ady Advantage suggested hiring Chrisman Consulting to provide implementation support for the CEDC, and the CEDC requested CWEP and the City of Carthage jointly fund the firm's consulting fee, with CWEP paying the first installment. GM Bryant recommended the Board agree to the CEDC's request.

A motion by Goff and seconded by Beimdiek to support the CEDC's request for funding passed unanimously.

STAFF REPORTS:

General Manager Bryant noted COVID has been running rampant in the community but commended staff in efforts to keep everyone safe. He reported employees have been working remotely and crews have been split up and noted taking care of CWEP employees is top priority. He acknowledged Sparkle in the Park was a huge success and takes great pride in the CWEP employees and the Board for helping make it such a success. He reported several handwritten letters have been received in the mail thanking CWEP for the Sparkle in the Park.

General Counsel and Director of Customer Relations Ludwig announced the new mobile app is live and advised to delete the old app and download the new one if you hadn't already done so.

Director of Business and ED Howard reported she met the new Chamber Director and is very excited for the direction she has envisioned.

BOARD MEMBER COMMENTS:

At 5:23 p.m. the meeting adjourned.

President – Steve Beimdiek

Secretary – Ron Ross