

CWEP BOARD MEETING MINUTES

June 18, 2024

The Carthage Water & Electric Plant Board met in regular session June 18, 2024, 3:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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

*Attended via videoconference

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 checked="" type="checkbox"/> Megan Kirby- Executive Assistant | <input checked="" type="checkbox"/> Stephanie Howard-Director of Business & ED |

Others present: Jana Schramm, Council member; Traci Cox, City Administrator

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

ADDITIONS/CHANGES TO THE AGENDA:

General Manager Bryant started out the meeting with a tribute honoring Steve Beimdiek and the 30 years he served on the Carthage Water and Electric Board. Bryant touched on the extraordinary man he was and emphasized that Beimdiek was a huge advocate for the CWEP Employees and there truly will never be another like him. Bryant noted that Beimdiek's knowledge, experience, humor, and friendship will be greatly missed from everyone at CWEP.

General Manager Bryant welcomed Lori Leece as the new CWEP Liaison. Lori Leece and staff went around the room taking turns introducing themselves.

APPROVAL OF MINUTES:

A motion by Collier and seconded by Teel to approve the minutes as presented of the regular meeting of May 16th, 2024, passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Garrison and seconded by Teel to approve disbursements for May in the amount of \$3,649,885.04, passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the May 2024 financials to the Board, noting that combined operating expenses were under budget for the month and year to date. She noted combined operating revenues were above budget for the month. Purchased power expense continues to be lower than expected. Water revenues for the month of May exceeded budget for the month and water operating expenses were less than budget for the month and year to date. Wastewater revenues exceeded budget for the month and wastewater operating expenses were less than budget for the month. Communication revenues were short of budget for the month and communication operating expenses were less than budget for the month.

A motion by Collier and seconded by Teel to approve the May 2024 financials passed unanimously.

COMMITTEE REPORTS: None.

CITIZENS PARTICIPATION PERIOD:

OLD BUSINESS: None.

NEW BUSINESS:

1. Consideration of the Compensation study

General Manager Bryant introduced Mary Mosqueda and Katie Moore with Lockton to the Board. Mary and Katie gave a presentation of the details and process of the Compensation Study. They noted the committee provided them with a great list of peers with 51 total invitees and a 50% response rate which provided great benchmark data. They presented the salary structure design with data points, grades and slotting of jobs to those grades. They presented the cost and range penetration of jobs with tenure and time in job being guidelines. Mary and Katie commended GM Bryant and the committee members on all their hard work.

A motion by Collier and seconded by Teel to approve the compensation results as presented by Lockton, including all salary grades and salary ranges, passed unanimously.

2. Consideration of Performance Management Proposal

GM Bryant noted CWEP is seeking the services of a qualified, responsive consulting firm to conduct a performance management review and develop a structured performance system for addressing employee performance. Mary Mosqueda and Katie Moore with Lockton gave an overview of the Performance management methodology including details regarding the planning, design, guidelines and trainings for managers.

A motion by Collier and seconded by Garrison to approve proceeding with the performance management proposal from Lockton, passed unanimously.

3. Consideration of bids for RICE Monitoring Systems

General Manager Bryant reported CWEP's power plant plans to upgrade its emissions monitoring system on engines 11, 12, 13, and 14 in the new fiscal year. The scheduling and coordination of required testing must be done before September. To meet the deadline requirements, the purchasing department will need to proceed with a purchase order early in July.

The monitors are sole source products from MiraTech, the company that built the catalytic converters that Farabee Mechanical installed for CWEP. This project includes materials, labor, and bond cost in the amount of \$73,727.66, which is below the budgeted amount of \$80,000.00.

A motion by Collier and seconded by Garrison to award this project to Farabee Mechanical in the amount of \$73,727.66, passed unanimously.

4. Consideration of Bids for Utility Locating Services

General Manager Bryant noted proposals were requested from highly skilled contractors to provide utility locating and marking services on behalf of CWEP in Carthage, Missouri. CWEP's network of underground utilities consists of water, electric, sewer, and fiber optic cable. CWEP received one proposal from USIC Locating Services, LLC. Another utility locating company respectfully declined to submit a proposal due to time constraints. GM Bryant reported that CWEP has worked with USIC for many years and are very appreciative of the quality of service they provide.

A motion by Garrison and seconded by Ross to award this project contract to USIC Locating Services, LLC, passed unanimously.

5. Selection of Board Officers for 2024-2025

Tom Garrison recommended the slate of officers for the upcoming year as follows: President- Ron Ross, Vice President- Darren Collier, and Secretary- Brian Schmidt.

A recommendation and motion by Garrison and seconded by Teel to approve the slate of officers as presented, passed unanimously with terms to take effect July 2024.

STAFF REPORTS:

General Manager Bryant addressed concerns with recent rumors circulating in the community involving an alleged issue with PCE (tetrachloroethylene) in the water supply. Bryant noted that trace amounts of PCE were found in a couple of raw water samples from CWEP's wells back in 2019, but that the contaminant was never present in CWEP's treated drinking water and the affected wells were immediately capped and have not been in use since that time. He explained that back when it was first discovered, Missouri DNR took more samples of CWEP's raw water as well as samples of private wells, but never found any more traces of PCE. He stated that while DNR may continue to perform testing of privately owned wells in the area, there was never an investigation into CWEP's drinking water, nor was there ever a time at which CWEP's drinking water was unsafe to drink. He noted any information being spread to the contrary is false and is dangerous to spread as it can cause unnecessary fear in the community. GM Bryant reported on the rate hearing that was posted this week by the city. He spoke with Traci Cox at City Hall and it was a misunderstanding as it was supposed to be a Budget hearing not a Rate hearing. GM Bryant thanked Traci for clearing that up. He noted the budget will go through two readings during the City Council meeting on Tuesday, June 25th. GM Bryant reported the main driver of rate increases this year is inflation noting there are some inventory items that have over a 1300% increase in cost. He noted May and June are months with hot temperatures, he anticipates high bill complaints as a result. Bryant announced CWEP received the American Public Power Association Sue Kelly Community Service Award last week. Sue Kelly was the former President and CEO of APPA. To win this award, you have to be nominated by someone else. He noted CWEP believes in giving back to the community and was honored to accept this award on behalf of all the hard work the employees made in making sure the 125th year of CWEP was a great one. GM Bryant reiterated how much he will miss Steve Beimdiek and noted CWEP will be honoring him at his graveside services Friday. He announced Steve's funeral is Friday at 10:00am.

CFO Nugent reported next week staff will be working on inventory counts. She noted the auditors will be in on the 28th and also reminded the board that there will be no June financials next board meeting to allow more time to finish up year end. The June and July financials will be presented in the August Board meeting.

General Counsel and Director of Customer Relations Ludwig reported with the hot weather temperatures, staff is anticipating a lot of calls regarding utility bills. She also noted that Steve Beimdiek really meant a lot to her, and she is going to miss him.

Director of IT and Broadband Peterson reported they had 82 fiber installations this month.

Director of Water Services Choate reported crews have been working hard on entering information on the lead service line identification cards.

Director of Power Services Emery gave an update on the progression of the 69kV line project and sub 1 project. He noted B&L are working on setting the foundation for the new equipment at sub 2.

Director of Business and ED Howard gave an industrial update.

BOARD MEMBER COMMENTS:

Board Secretary Collier asked staff if there was a final storm damage cost. CFO Nugent responded that they are still waiting on a couple mutual aid bills to come in. Collier also asked GM Bryant if he was concerned about the strength of the grid with these tropical storms coming in. GM Bryant responded that he is less concerned with the strength of the grid and more worried about procurement issues. Collier noted he is proud of everyone's work.

Vice President Ross reported he is proud to have the group we have and the compensation study has been very eye opening and he appreciates all the help from Lockton.

City Liaison Leece noted she is surprised the rate increase was as low as it was after seeing some numbers of how much inflation has impacted the pricing of so many of the common stock items. She also noted that just as a reminder, CWEP utility bills includes all services of Electric, Water, Wastewater, Trash and Internet. Leece expressed her enthusiasm to be the new board liaison, she looks forward to learning more and working with the team at CWEP.

A short break was taken.

At 4:54pm, a motion by Collier and seconded by Ross to close a portion of the meeting pursuant to Section 610.021(3), the hiring, firing, disciplining or promoting of particular employees by the public governmental body when personal information about the employee is discussed, and Section 610.021(13), individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, of the Revised Statutes of Missouri, passed unanimously via a roll call vote.

Garrison:	Aye
Collier:	Aye
Ross:	Aye
Schmidt:	Aye
Teel:	Aye

The meeting went into closed session.

At 5:32pm the meeting returned to open Session. Garrison moved to adjourn; Teel seconded at 5:32pm.

President – Brian Schmidt

Secretary – Darren Collier