

CWEP BOARD MEETING MINUTES

August 19, 2020

The Carthage Water & Electric Plant Board met in regular session August 19, 2020, 4:00 p.m. at the CWEP Office, 627 W Centennial, Carthage, MO.

Board:

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| <input type="checkbox"/> G. Stephen Beimdiek- President | <input type="checkbox"/> Brian Schmidt - Member |
| <input checked="" type="checkbox"/> Danny Lambeth -Vice President | <input checked="" type="checkbox"/> Pat Goff – Member |
| <input checked="" type="checkbox"/> Ron Ross -Secretary | <input checked="" type="checkbox"/> Neel Baucom - 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 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 |
| <input checked="" type="checkbox"/> Meagan Milliken-Customer Relations Mgr. | |

Vice President Lambeth called the meeting to order at 4:00 p.m.

ADDITIONS/CHANGES TO THE AGENDA: None.

APPROVAL OF MINUTES:

A motion by Baucom and seconded by Goff to approve the minutes of the regular meeting of July 16, 2020 as presented passed unanimously.

APPROVAL OF DISBURSEMENTS:

A motion by Ross and seconded by Baucom to approve disbursements for July in the amount of \$4,138,739.78 passed unanimously.

FINANCIAL STATEMENT:

CFO Nugent presented the financials for June noting that June ended strong with industries back online after reduced production due to COVID. Higher temperatures also contributed to the higher than budgeted and prior year income for the month. In the electric, water and wastewater departments, the commercial class has experienced a decline in usage and revenue over the last few years. Some of this is due to business closures, new businesses that move in and have a lower usage, and businesses working to conserve energy and water. Expenses were under budget for the year with the largest contributing factor being purchased power. There

was also less traveling for education and training due to COVID. In addition, more transportation costs were allocated to capital projects than in the past. She noted that for the year to date power and water loss percentages came in at 4.3% and 11.93%, respectively.

A motion by Ross and seconded by Goff to approve June financials passed unanimously.

CFO Nugent presented the financials for July noting that the revenues were strong due to higher temperatures. Operating expenses for the month were higher than prior year with purchase power being the main contributor. She noted that for the year to date power and water loss percentages came in at 13.06% and 6.71%, respectively.

A motion by Baucom and seconded by Goff to approve July financials passed unanimously.

COMMITTEE REPORTS: None.

CITIZEN'S PARTICIPATION PERIOD: None.

OLD BUSINESS: None.

NEW BUSINESS:

CONSIDERATION OF FY 2020-21-01 RESOLUTION: DETERMINING THE INTENT TO REIMBURSE FOR CAPITAL EXPENDITURES

General Manager Bryant presented FY 2020-21-01 Resolution to the Board. Bryant noted this resolution is to determine the intent to reimburse for capital expenditures in connection with the construction, expansion, renovation, furnishing and equipping of its communications system. He added any capital expenditures incurred prior to the date hereof in connection with the Project are acknowledged to be for the benefit of the project. By passing this resolution the Board acknowledges that the City intends to reimburse itself for such expenditures with the proceeds of bonds, notes, leases or other obligations to be issued or entered into by the City. The maximum net proceeds of Obligations expected to be issued for the Project will be \$7,000,000.

A motion by Ross and seconded by Goff to adopt FY 2020-21-01 Resolution: Determining the Intent to Reimburse for Capital Expenditures, passed unanimously.

RECOMMENDATION FOR THE CARTHAGE WATER AND ELECTRIC PLANT RENOVATION PROJECT

General Manager Bryant announced a formal bid request was issued seeking qualified contractors to renovate existing office and storage areas, which includes removing old flooring and installing wall tile at CWEP's Centennial Complex location. A pre-bid site tour was held for all contractors interested in the renovation project. GM Bryant reported CWEP received two

bids for this project. Randy Dubry Construction submitted a bid in the amount of \$208,997.00, and G & G Construction Company, Inc. submitted a bid for \$238,500.00. Both received were under CWEP's budgeted project amount.

GM Bryant recommends awarding this project to Randy Dubry Construction in the amount of \$208,997.00 as the lowest bidder.

A motion by Baucom and seconded by Ross to award the Carthage Water and Electric Plant renovation project to Randy Dubry Construction, passed unanimously.

RECOMMENDATION FOR THE STORAGE AREA NETWORK DEVICE PROJECT

General Manager Bryant noted formal proposals were accepted for the purchase and provisioning services of two storage area network (SAN) switch devices. The devices will be installed in separate data centers located in Carthage, Missouri, and will connect by existing fiber-optic cable. GM Bryant reported a proposal was received from Technology Group Solutions in the amount of \$60,656.48, which will include two SAN devices, annual support, and provisioning services.

GM Bryant recommends awarding this project to Technology Group Solutions in the amount of \$60,656.48, which will meet the specifications and requirements of CWEP.

A motion by Baucom and seconded by Goff to award the Storage Area Network Device Project to Technology Group Solutions in the amount of \$60,656.48, passed unanimously.

RECOMMENDATION FOR REPAIRS TO THE WATER TREATMENT PLANT BASIN

General Manager Bryant reported G & G construction provided a proposal cost for basin repairs at the water treatment plant in the amount of \$285,006.65, which will include all materials and labor in repairing the blend basin, sandblasting, and coating of the floor. GM Bryant recommends that CWEP proceed with the repairs under the General Construction and Operational Maintenance Repair Services Contract No. U2017.7GC.

A motion by Ross and seconded by Baucom to proceed with the repairs at the water treatment plant, passed unanimously.

STAFF REPORTS:

General Manager Bryant gave an update on COVID-19 and the precautions that staff are continuing to take. He commended staff for adapting well to all the changes and their continued hard work during this time. GM Bryant reported Davey Resource Group have been in town inspecting the city's poles, as of right now they have added 500 poles to the list as needing further testing or replacing. He gave an update on the status of the transformer addition to the SPA substation. GM Bryant noted the AMI contract has been signed by CWEP

and is now working its way through a process at Anixter and Itron. He reported the SPP System Protection and Control Working Group voted to approve removing CWEP from its under-frequency load shedding plan. Now that SPP has approved removing CWEP from its plan, CWEP should be eligible for deregistration with MRO, which would effectively remove CWEP from all NERC standards. Staff is working with MRO for the next steps.

CFO Nugent reported job openings have been posted for an Accountant and a Customer Service Representative, she noted several applications have been turned in. She noted auditors will be doing field work next week. Nugent commended staff for having great attitudes during these COVID-19 changes.

General Counsel Ludwig gave an update on the current status with the SPP System Protection and Control Working Group and MRO.

Director of Power Service Emery reported crews have finished pulling wire for feeder 16 upgrades and will start terminating the wires this week. Emery also reported that 12% of the system inventory points have been mapped by Davey Resource Group.

Director of IT & Broadband Peterson noted there are a couple job openings posted.

Director of Business & ED Howard gave an update on the Justin Boot shut down.

BOARD MEMBER COMMENTS:

At 4:51 p.m. the meeting adjourned.

President – Steve Beimdiek

Secretary – Ron Ross