

## BOARD OF PUBLIC WORKS

Regular Board Meeting

Monday, July 18, 2022

Time: 4:00p.m.

Present: William Fisher via phone  
John Ortwerth  
Bill Dees

President  
Vice President  
Secretary

Darrin Gordon  
Mathew Munzlinger  
Courtney Harris  
Paul Trenhaile  
Matthew Jones  
Makayla Robbins  
Gordon Ipson

General Manager  
Director of Operations  
Administrative Support Specialist  
Finance Director  
Senior IT Specialist  
Public Relations  
Hannibal Citizen

Josh Youngblood  
Corey Mehaffey  
Mike Dobson  
James Lemon

MPUA  
HREDC  
City Councilman  
Attorney, Lemon Law Firm

### **CALL TO ORDER**

The meeting was called to order at 4:00p.m. by William Fisher.

### **INVOCATION & PLEDGE OF ALLEGIANCE**

The invocation was given by John Ortwerth.

John Ortwerth asked to amend the agenda for Josh Youngblood from MPUA to give his Water Sewer report first.

### **Water/Sewer Report – Josh Youngblood, MPUA**

Josh Youngblood, MPUA Manager of Environmental Private and Public Policy, presented information regarding the lead and copper rule that was promulgated, and put into law December of 2021. The lead and copper rule improvement plan is underway and the HBPW will have to inventory all lead service lines in the city of Hannibal, with a due date of October 16<sup>th</sup>, 2024. Mr. Youngblood stated the HBPW will be able to start the process now and noted the HBPW will need to set an annual goal of required replacement that will go from the distribution line all the way to the structure. At this time, only lead service line full-service replacement is acceptable. Moving forward the rule will most likely be completed by years 2025-2026, so there will be time to plan and implement the necessary changes.

### **INSTALLATION OF OFFICERS**

- Bill Fisher made a motion to nominate John Ortwerth for President for the FY22-23 year seconded by William Dees. Motion approved.
- John Ortwerth made a motion to nominate William Fisher for Vice President for the FY22-23 year seconded by William Dees. Motion approved.
- John Ortwerth made a motion to nominate William Dees for Secretary for the FY22-23 year seconded by William Dees, motion approved.

### **CONSENT AGENDA**

- A) Minutes – June 20, 2022
- B) Payrolls – July 1 & 15, 2022
- C) Claims – June 2022

On motion of Bill Dees, seconded by John Ortwerth the Board voted unanimously to approve the Consent Agenda.

### **COMMENTS FROM THE AUDIENCE**

Gordon Ipson was present and voiced he could possibly be nominated as the new HBPW Board Member in the future. The Board welcomed him to the meeting.

## **GENERAL MANAGERS REPORT**

Mr. Gordon reported the electric costs remain high and volatile at this time. There continues to be upward fuel cost pressures due to our nations export of LNG (Liquid Natural Gas) to Europe, the historic low rig counts, and the national shift in energy usage. Also, due to complications of the reduction in electric generation and plant retirements, we are seeing unparalleled energy price volatility. Mr. Gordon noted the decision of the Board to manage the additional capacity charges through the established reserve fund has allowed the HBPW to not pass on this volatility to the customers. The Administration will be reviewing and sharing the Cost-of-Service Study as soon as it's received to analyze what will need to be done moving forward.

Mr. Gordon reported for the remainder of July and August, the HBPW will still be in the peak season of electric usage. Mr. Gordon noted as we set out highest usage now, the HBPW will be required to purchase capacity from the market next year. As we work together to conserve energy and keep our peak usage as low as possible, it will save money in the future. Mr. Gordon thanked Makayla Robbins, Matthew Jones, and Emily Dexheimer for all of their efforts informing customers on tips to conserve energy. Mr. Gordon noted please visit the HBPW website and watch for multimedia communications on when and how to conserve. We are grateful for all of everyone's efforts.

Mr. Gordon reported very positive information was received from the State Legislators regarding the Grainbelt Express. The final laws that were created set new standards for future transmission line construction, and they grandfathered Invenergy to continue the project with their existing rights and powers of eminent domain. The topics of discussion included expansion of transmission capacity, more Missouri access, increase in energy savings, and improve timing for power to Missouri. Mr. Gordon reported there were some demands put forth by the state that Invenergy addressed recently. This will be a benefit to the energy users of Missouri and a great opportunity for Hannibal.

## **OPERATIONS REPORT**

Mathew Munzlinger reported the overall Electric availability rate for the past 12 months was 99.991%. The number of electric outages doubled in June from May resulting in outage minutes increasing.

Mathew Munzlinger reported there are new subdivisions being developed near Stardust Drive that are in the early development stages. There will be 11 residential single-family units in one subdivision and apartments in another with construction starting any time.

Mathew Munzlinger reported at the Water Treatment Plant the water production was up again this month compared to the past two years. Mr. Munzlinger noted this is not considered alarming, but the crew is continuing to monitor the plant output as part of routine record keeping.

Mathew Munzlinger reported at the Wastewater Treatment Plant the annual W.E.T. test (Whole Effluent Toxicity) was sampled this month, and it passed all criteria. Mr. Munzlinger noted this is an annual test required by MDNR to ensure the effluent will support living organisms.

Mathew Munzlinger reported crew members are continuing to install AMI meters. As of July 10<sup>th</sup>, 4,674 electric meters and 6,697 water registers have been deployed. Mr. Munzlinger noted field progress is continuing to maintain adequate meter upgrades, and the water upgrades should be completed by late Fall 2022. Mr. Gordon thanked everyone for all of their hard work and voiced this will really pay off and be a great benefit to the community.

## **PROJECTS REPORT**

Mathew Munzlinger presented the Board with an updated progress report including projects from the Electric, Water System, Water Treatment Plant, Sewer System, Wastewater Treatment Plant and Stormwater. Mr. Munzlinger noted the progress of these projects and studies are acceptable and will continue as weather permits.

## **FINANCIAL REPORT**

Paul Trenhaile presented the Board with the financial results for the month of June 2022, year to date results, and key financial ratios. Mr. Trenhaile presented the Dashboard presentation to the Board as a review of Key Performance Indicators trailing the last six months.

## **UNFINISHED BUSINESS**

### **Electric Risk Management Controls & Procedures – Darrin Gordon**

Mr. Gordon presented the Electric Risk Management Controls and Procedures manual and voiced the HBPW Administration is looking to memorialize practices. Mr. Gordon is continuing to look at the HBPW buying power at somewhat of a premium and voiced it is the cheapest power to be purchased with some volatility. Mr. Gordon also voiced the HBPW will need to hedge as well due to the risk of reliability and consistency to have a set price. Mr. Gordon asked the Board to authorize him to go out for specific hedges with their consent, get indicative pricing,



and discuss a "not to exceed" number. Mr. Gordon voiced we will need the city to ratify the previous hedge, and that information is listed in the procedures presented.

On motion of Bill Fisher, seconded by Bill Dees the Board voted unanimously to adopt the Risk Management Controls & Procedures Manual as presented.

**Electric Hedging Policy Adoption – Darrin Gordon**

Mr. Gordon presented the Electric Hedging policy that lists the procedure for hedging. After voicing the scope and review, Mr. Gordon recommended approval of the Electric Hedging policy as presented.

On motion of Bill Dees, seconded by John Ortwerth the Board voted unanimously to adopt the Electric Hedging Policy as presented.

**Stormwater Interfund Loan Modification – Paul Trenhaile**

Paul Trenhaile presented information regarding the Stormwater Interfund Loan Modification. Mr. Trenhaile reported the Stormwater system has failed in several areas over the years and significantly degraded. In August of 2017 the Stormwater Fund borrowed money from the Electric fund. The current Stormwater fund does not have a revenue source, and now the actual loan payment is coming due. Mr. Trenhaile noted we will need to extend the maturity with the loan modification another 3 years which is due on August 21, 2025. Mr. Trenhaile recommended approval of the Stormwater Interfund Loan Modification as presented.

On motion of John Ortwerth, seconded by John Ortwerth the Board voted unanimously to approve the Stormwater Interfund Loan Modification as presented.

**NEW BUSINESS**

**Hedging for Prairie State Outage and Winter – Darrin Gordon**

Darrin Gordon presented information regarding hedging for PS Outage and the winter months. Mr. Gordon noted this was already discussed prior in the meeting and the "not to exceed" amount will be discussed in executive session.

**Ordinance Support Section 7-306 – Darrin Gordon**

Darrin Gordon presented information regarding Ordinance Support Section 7-306 that will be presented to the City Council tomorrow evening. Mr. Gordon noted section 7-306 is revised concerning building and building regulations for non-owner and owner dwellings. Property owners that are renting out their building need to have an inspection to keep their facilities safe. Mr. Gordon voiced the HBPW has been supporting and helping verify new occupants with the Building Inspector's office to help keep the owners onerous. This item is for informational purposes only, and no action is necessary.

**CITY ATTORNEY – PENDING MATTERS**

NONE

**GENERAL DISCUSSION**

NONE

**CLOSED SESSION**

William Fisher made a motion to convene in closed session, in accordance with Section 610.021(12) of the Missouri Sunshine Law, to convene in closed session to discuss Contracts admitting William Fisher, Bill Dees, John Ortwerth, Darrin Gordon, Paul Trenhaile, Courtney Harris, & James Lemon. Motion seconded by Bill Fisher. ROLL CALL: AYES: Board Members, Bill Fisher, John Ortwerth, and Bill Dees. NAYS: 0.

**ADJOURNMENT**

John Ortwerth made a motion to adjourn. Motion seconded by Bill Dees and carried unanimously. The meeting was adjourned at 5:45p.m.



Darrin Gordon  
General Manager



William Dees  
Secretary