

BOARD OF PUBLIC WORKS

Regular Board Meeting

Monday, September 19, 2022

Time: 4:00p.m.

Present:

John Ortwerth
William Fisher
Bill Dees
Robert Koehn

President
Vice President
Secretary
Board Member

Darrin Gordon
Mathew Munzlinger
Courtney Harris
Paul Trenhaile
Matthew Jones

General Manager
Director of Operations
Administrative Support Specialist
Finance Director
Senior IT Specialist

Mark Beauchamp
Josh Youngblood
Mike Dobson
Ethan Matchett

UFS
MPUA
Mayor Pro Tem
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.

OATH OF OFFICE – Mayor ProTem Mike Dobson

Mayor Pro Tem Mike Dobson administered the Oath of Office to Robert Koehn who was appointed to the Board of Public Works by the City Manager and confirmed by the City Council on August 16, 2022.

John Ortwerth amended the agenda for Unfinished Business item “Electric, Water & Sewer Rates Studies” be moved before “Comments From the Audience.”

CONSENT AGENDA

- A) Minutes – August 1, 2022
- B) Payrolls – July 29th, August 12th & 26th & September 9, 2022
- C) Claims – July & August 2022

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

Electric, Water, & Sewer Rate Studies - UFS

Mark Beauchamp from UFS presented the Electric, Water, and Sewer Rate Studies. The presentation objectives included review of the Electric FP, Water COS, and Wastewater FP; Financial projection and targets, debt coverage ratios, minimum cash reserves, target operating income, and rate track. After much discussion it was voiced, there would be no plan of any additional rate changes in 2023.

COMMENTS FROM THE AUDIENCE

NONE

GENERAL MANAGERS REPORT

Mr. Gordon reported to provide our customers options and convenience, we provide these 8 payment type delivery systems: Over the counter at the Business office cash register, automatic transfers, mail, automated phone system, kiosks, website payments, mobile app payments and the Smart Hub web browser. Mr. Gordon voiced almost 50% of HBPW customers pay with a check, and we are encouraging customers to utilize Smart Hub. Smart Hub provides a safe and secure environment for payment transactions between customers' financial institutions and the HBPW office. The customers can securely make a payment, monitor monthly and historic

usage, contact the HBPW office with questions or concerns, and receive email or text alerts. This option allows customers to manage all aspects of their utility account.

Mr. Gordon reported the HBPW continues to experience high volatility in electric wholesale purchasing. HBPW pays for wholesale power on a weekly basis and the volatility is being managed due to the appropriate reserve fund the HBPW manages. Thank you to the Board who has been fiducially responsible for creating and maintaining the reserve fund. The HBPW Board of Directors has authorized the use of the reserve fund to mitigate the impact of the increased capacity costs that have been 260 times higher than the previous year.

Mr. Gordon reported the HBPW continues to prepare for the April 2023 election cycle. The utility has the responsibility of operating and maintaining the Hannibal Stormwater infrastructure but currently has no funding source to accomplish this duty. Mr. Gordon noted it is also against state law to utilize any monies earned from the Water, Sewer, or Electric funds on Stormwater needs. Mr. Gordon noted the HBPW is collaborating with engineer consultants and legal advisors to create a funding source. While not yet approved by the Board, management is considering a tax that will be directly connected to a property size and a measured amount of pervious surface.

Mr. Gordon reported the HBPW is working hard to further earn the trust and respect of the customers. This is being done by the efforts of employees paying attention to details and not leaving any task undone. This has already translated into being more proactive than reactive.

Mr. Gordon reported Makayla Robbins, Coordinator of Customer/Community Relations is scheduled to have her last day with the HBPW tomorrow. Mr. Gordon voiced she has done a great job for the HBPW, and she will be sorely missed. We wish her the best in all her future efforts.

OPERATIONS REPORT

Mathew Munzlinger reported the overall Electric availability rate for the past 12 months was 99.993%. This percentage was up from the last month, but the total number of outages stayed the same at 17.

Mathew Munzlinger reported the Electricians worked on the rehabilitation of the sign at the Service Center and it was repainted and completed.

Mathew Munzlinger reported the water production for the month continues to trend high as it has for the whole summer. The GAC changeout at the Water Treatment Plant is scheduled for September 29th last month,

Mathew Munzlinger reported MDNR completed the NPDES Discharge Permit general inspection. The inspection went very well and there were no violations that would require a response.

Mathew Munzlinger reported Mr. Dustin Goodwin was selected to fill the relief position at the WTP. We are excited to have him on board as yet another "A" licensed operator on our team.

Mathew Munzlinger reported the Sewer Crew responded to six (6) reported stop-up calls. Of the six calls, one of them was problematic with the public main. There were zero (0) SSO's in August, which is always the goal. The minimal stop up calls and SSO's have allowed the crew to focus on some construction-type projects for the month.

Mathew Munzlinger reported Matthew Jones and our Inventory Specialist have been working on the barcoding system of warehouse related items. The inventory specialist is currently labeling all items on each shelf and ensuring aisle and shelf location information is denoted in the NISC inventory system. The vendor is planning to come in October for setup and training.

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 the weather permits.

FINANCIAL REPORT

Paul Trenhaile presented the Board with the financial results for the month of August 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

Wholesale Ameren Agreement – Darrin Gordon

Mr. Gordon presented the Wholesale Ameren Agreement as the final document with the connection of the Finn Substation. Mr. Gordon voiced he would like the Board Members to take time to review the final agreement. No action was taken at this time.

Strategic Planning – Darrin Gordon

Mr. Gordon proposed holding a Board Strategic Planning Workshop on Thursday, October 20th from 8:00a.m.-12:00p.m. After much discussion the Board agreed to holding the workshop as proposed.

Hedging Report – Paul Trenhaile

Paul Trenhaile reported the Board recently approved both an 'Electric Hedging Policy' and a 'Risk Management Policy' which set forth basic guidelines for the hedging efforts with power supply. Mr. Trenhaile noted recently the pricing came in below the not-to-exceed and the hedge was executed with AEP Energy Partners that is set to begin on October 1st and run through November 9th. This will be a 2-year hedge. Administration also executed a hedge for 5 MW of the energy needs for this winter which is a time when pricing is typically much more volatile based on weather conditions. This hedge will begin November 1st and run through February 28th. It is also a 2-year hedge. Administration is currently looking at hedges for the 2023 capacity needs that will include the potential Spring maintenance outage for Prairie State, and summer 2023. Mr. Trenhaile noted fixing the price that is paid for purchased power and limiting HBPW's exposure to the market during this time of extreme volatility is important and in the best interest of the customers.

NEW BUSINESS

Surplus Equipment – Mathew Munzlinger

Mathew Munzlinger reported the HBPW continually evaluates its available vehicles, equipment, and other items as to the need, the ability to complete the job function desired, and whether there is useful life left. Mr. Munzlinger noted the items which are no longer needed are offered to other City Departments first, before being disposed of through a bid process. Mr. Munzlinger presented a list of items that are no longer being used and requested they be declared surplus to proceed with the disposal process.

On motion of Bill Dees, seconded by William Fisher, the Board voted unanimously to approve the list of items presented to be declared surplus to proceed with the disposal process.

Change Order No.1 161 Line Project – Mathew Munzlinger

Mr. Munzlinger reported plans and specifications were developed for HBPW's portion of the 161kV Finn Connection Project which included the construction of a new 161kV line, expansion of the Oakwood Substation to include a 161kV to 34.5kV transformer and the deconstruction of the existing 74 line. These bidding documents were based on the information available at the time and requested the contractor include the costs to provide required crossings over a high-pressure gas main that parallels the construction corridor. Mr. Munzlinger noted since the time of bidding, the contractor has demonstrated the need for an additional crossing to be installed to facilitate the construction of the new line along with additional mats to allow access to a pole location. Change Order No. 1 covers the additional cost associated with the additional crossing. The cost is based upon unit costs that were provided with the original bid. The project cost change associated with Change Order No. 1 is \$20,570.00. Mr. Munzlinger recommended approving Change Order No. 1 as presented for the 161kV Finn Connection Project.

On motion of Robert Koehn, seconded by William Dees the Board voted unanimously to approve the Change Order No.1 161-Line project as presented with a project cost change of \$20,570.00.

CITY ATTORNEY – PENDING MATTERS

NONE

GENERAL DISCUSSION

NONE

CLOSED SESSION

William Dees 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 John Ortwerth, William Fisher, William Dees, Robert Koehn, Darrin Gordon, Paul Trenhaile, Courtney Harris, & Ethan Matchett. Motion seconded by Bill Fisher. ROLL CALL: AYES: Board Members, Bill Fisher, John Ortwerth, and Bill Dees. NAYS: 0.

ADJOURNMENT

Bill Dees made a motion to adjourn. Motion seconded by William Fisher and carried unanimously. The meeting was adjourned at 5:54p.m.



Darrin Gordon
General Manager

William Dees
Secretary