



Minutes

Regular Meeting

5:00 pm, March 12, 2020

Chairman Charles Hegler called the meeting to order with Commissioner Leonard Bowick, Commissioner George Long, General Manager Adam Hedden, Superintendent James Robinson and Office Manager Cheryl Daniels present.

On a Motion by Commissioner George Long, seconded by Leonard Bowick, the Commissioners approved the February 2020 Regular Meeting Minutes, February 2020 Accounts Payable and the January 2020 Financial Statement.

Safety Committee Update:

Safety Training for the month of March will be Ladder Safety.

Cheryl Daniels ~ Office Manager:

Operations are running smoothly in the office.

James Robinson ~ Superintendent:

JR stated that safety training for the month of March will be Ladder Safety. Overall, operations are running smoothly.

Glenn Hill ~ Chief Waste Water Operator:

Mr. Hegler presented Glenn's report:

Fire extinguishers have been recertified for 2020. Overall, operations are running smoothly.

Troy Caparro ~ Water Treatment Plant:

Mr. Hegler presented Troy's report:

The lake level as of March 9 was 334.15 feet. New lab equipment (turbidity meter and ph meter) have been purchased and installed, which has improved lab operations significantly. New chlorine regulators have been installed. Overall, operations are running smoothly.

Adam Hedden ~ General Manager:

Bids were received in February for the **Water Plant Project**. The bids were broken up into two separate lettings. One letting was for the water tower, water tower removal, short section of new line to connect the new water tower, along with line and valve replacement on Clayton and Virginia Streets. In this letting, bids were received on every item except the valve and line replacement. The bids received were slightly over budget. The other letting for the water plant,

clear well, and reservoir work received two bids. Both bids were 50 to 80% above the most recent estimates from Turnipseed. After looking at pricing for water plants that are either in construction or recently completed, it seems the received bids were in the ballpark for the current construction market which is strong.

The project cannot move forward at the current pricing or funding levels. Therefore, we are working with the low bidder on the plant project to find areas where we can reduce the cost of construction. Everything is on the table at this point from value engineering the current traditional design to considering design alternatives that are more mechanical with smaller footprints. After our next meeting, we will have a better idea about what makes the most sense for us to follow.

We are also looking at the funding issue. We have made the USDA – RD aware of the situation and have informed them we do not think taking on additional debt is a viable option. So, we will be submitting a request for additional grant money once we have our options more clearly defined. It is unknown if there will be any additional grant money available for the project and we are approaching the value engineering and design with this mindset.

Lyman Wray has been made aware of the changes and will wait on us before making any further scheduling changes.

Three bids were received on **Wastewater Plant Project**. All were over 50% above estimates from Turnipseed. We have since rejected all bids. We are now consulting with some of the contractors that bid to find out why prices were so much above estimates. Initial conversations have not pointed to a specific area that drove the price up. Since the bids are now officially rejected, we intend on having more in-depth conversations with contractors to determine how to get the project back within budget.

Wholesale Power – Morgan Stanley said it has taken longer than anticipated to finalize documents. They are now moving toward market and will only proceed with a transaction if the monthly + annual discount totals more than \$0.33/MMBTU (inclusive of Tennergy admin fee) or \$0.30/MMBTU (exclusive of Tennergy admin fee). The contract signature pages will be signed ahead of going to market and held in escrow. They will only be released upon successfully pricing the transaction and achieving a discount greater than the previously mentioned amount. The current stock market conditions are volatile for sure, but that may be in our favor as some investors seek the safety of bonds even though they are at a lower rate. Additionally, there are credit factors at play that may also work toward creating an opportunity toward execution sooner than later.

Pricing was requested for Siemens and Cooper **regulators**. Siemens was \$14,700 each with a 16-19 week lead time and a Siemens controller. Cooper was \$18,510 each with a 38 week lead time with a Cooper controller. After we received pricing, we attended a lunch and learn with SEL. SEL makes devices for use by electric utilities. It ranges from regulator controls to devices for use on the lines themselves. They have an office in Charlotte, are easy to contact, and have one of the best warranty programs in the business. One of the main advantages of

using SEL is it's the same programming set up for their regulators, recloser controls, and breaker controls. You don't call ABB for one thing and Square D for another. We are waiting on a quote now from Siemens for regulators with the SEL controller installed from the factory. This will probably raise the price \$1,200 each. The controllers come with a 10-year warranty. Once we get the prices in, we will place an order with Siemens.

Rate Study – Summit has been working on the models and rates for all utilities. They submitted their initial work on the water rate models which is very in-depth. We had a two hour call on Monday going over the models and questions that resulted from the work. They are updating the water model with those answers and working on the other utilities as well.

Employee Personnel Handbook – We are moving forward with getting copies signed by employees and implementing the new policy.

Excess Equipment –None sold in February. We are placing the old line-truck back out for auction this week and lowering the reserve minimum.

There being no further business, Mr. Hegler made motion to adjourn.

Respectfully Submitted,

Cheryl Daniels
Office Manager

