

Clarence

Cannon

Wholesale

Water Commission

2020

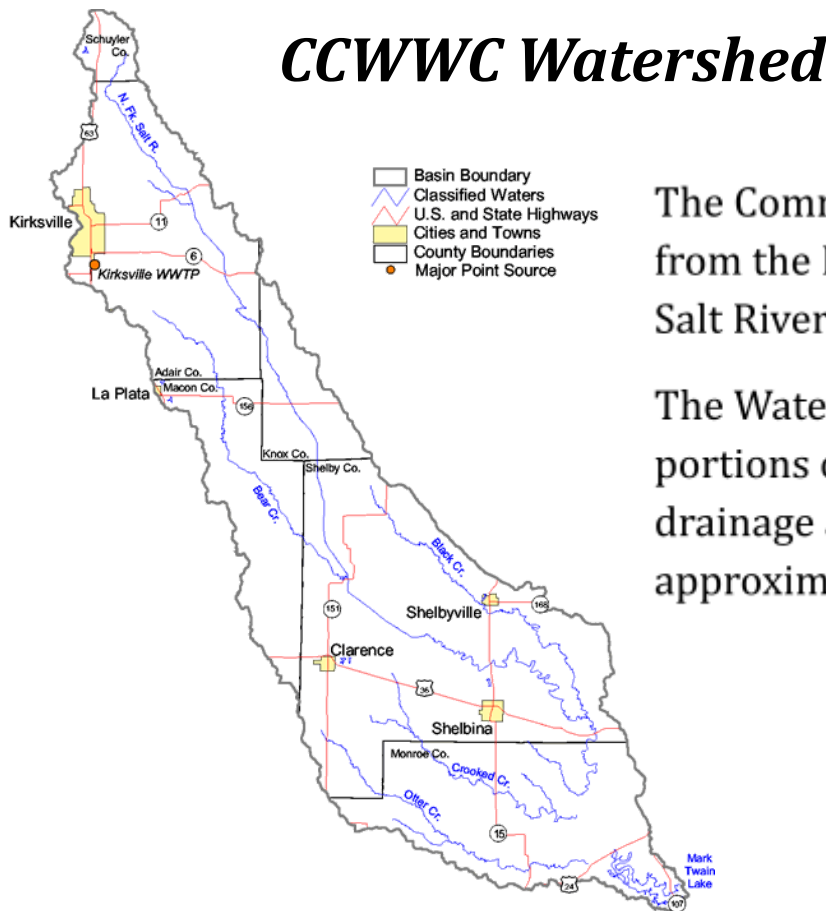
ANNUAL REPORT
SEPTEMBER 2020

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Mission Statement

The Clarence Cannon Wholesale Water Commission (CCWWC) is a wholesale supplier of high quality potable water to the region through its Member communities and public water supply districts. The CCWWC will produce and distribute drinking water to its Members that meets or exceeds state and federal water quality standards. This service will be provided at a reasonable cost consistent with sound business practices to maximize efficiency and productivity. The CCWWC is a leader in the development of regional water systems and will support the growth of such systems as a means of solving water supply problems. The CCWWC is committed to providing training, service and support to its Members and employees. Preservation and wise use of natural resources, particularly water resources, and public awareness of the issues facing the water profession are major concerns of the CCWWC that shall be cultivated as we pursue our mission.



The Commission draws water from the North Fork of the Salt River in Mark Twain Lake.

The Watershed includes portions of 6 counties with a drainage area of 894 mi², approximately 572,160 acres.

Authority and Organization

The Clarence Cannon Wholesale Water Commission (CCWWC, or Commission) is a Joint Municipal Utility Commission organized under §393.700 to §393.770 of the Revised Statutes of the State of Missouri. The Commission is a political subdivision of the State of Missouri. The CCWWC was officially established on October 3, 1983. In Fiscal Year 2020 there were fourteen cities and nine rural water districts that were Members of the CCWWC.

The first phase of the CCWWC system was constructed in 1991-92 and was financed with revenue bonds in the amount of \$21.8 million and state and federal grant funds in the amount of \$2.84 million. There were thirteen Member systems at that time. The production and sale of water to Members began on June 16, 1992. Since the original construction phase, the CCWWC has had four transmission system expansion projects. These projects have resulted in the addition of eleven purchasing Members which was reduced by one when Armstrong was absorbed by Thomas Hill PWSD.

The production and distribution facilities include a 10 million gallons per day (MGD) surface water treatment plant located on Mark Twain Lake near Florida, Missouri, 310.5 miles of transmission mains, 6 booster pumping stations, and 8 storage tanks that have a storage capacity totaling 7.48 million gallons. Fiscal Year 2020 water sold averaged 3.943 MGD and was distributed to 14 counties in Northeast Missouri.

A Board of Directors governs the CCWWC. Each contracting municipality or public water supply district governing body appoints a director and alternate director to sit on the board. The board has the responsibility for the management, administration and regulation of the business affairs of the CCWWC and to adopt rates for the sale of wholesale water to contracting parties.

Mark McNally retired as General Manager from the Commission in April of 2020, and Heath Hall is the current General Manager of the Commission. He is the principal executive officer of the CCWWC with the responsibility for the planning, operations and administration of the affairs of the organization. He holds a Bachelor of Science in Civil Engineering from the Missouri University of Science and Technology. He has 19 years of experience in the Drinking Water and Wastewater fields. He holds a Missouri Class A Drinking Water Treatment license and a Class A Wastewater Treatment license. Assisting the Commission as the Administrative Assistant is Todd Keller. Todd holds a Missouri Class D water operator license, DS III distribution license, and has 23 years of experience with CCWWC. Todd runs the office efficiently, providing administrative support, billing to the Members, administers payroll, and processes all bills. The Distribution Supervisor, Billy Arnett, assisted by Howard Smothers, the Distribution Operator, services the widespread distribution system. They properly maintain the Commission's 310.5 miles of transmission mains, points-of-connections, distributed SCADA system, booster pump stations, storage tanks, and other associated water distribution equipment. Billy holds a Missouri Class C water operator license, a DS III distribution license, and 22 years of experience with CCWWC. Howard holds a Missouri DS III distribution license and has 9 years of experience with CCWWC.

The operation and maintenance of the Water Treatment Plant is contracted to SUEZ Water of Harrington Park, New Jersey. The local SUEZ Water team of seven highly qualified personnel provide 24/7 staffing of the Water Treatment Plant, and operate the State Certified Laboratory. The current contract with SUEZ Water will expire June 11, 2023. Scott Allen serves as Chief Operator at the facility, and holds a Missouri Class A Drinking Water Treatment license. The Commission staff and SUEZ Water staff work very well together producing high quality potable water to our Members while maintaining the water system at a high level.

General Manager's Letter

September 30, 2020

Clarence Cannon Wholesale Water Commission Board of Directors:

We end the Commission's fiscal year in good financial and physical shape. Our plant and distribution system continue to provide high quality drinking water at competitive costs to our Members, who in turn, serve a large part of fourteen counties in northeast Missouri. We end the year on sound financial footing and look forward to another year of service to rural northeast Missouri. I would like to thank Mark McNally for leaving the Commission in good financial shape. His 10 plus years of service to the Commission are appreciated, and I value the guidance he has given me.

Notable events

For the fifth year "Seasonal Water" was approved by the Directors which allowed Members to contract for and receive water above their Entitled Water, at 2.25 times the Water Rate or \$4.55 per thousand gallons received. One Members purchased Seasonal Water during June and July.

We completed a conversion from a gas chlorine disinfection system to bulk sodium hypochlorite (aka liquid bleach). The conversion was mostly done by Suez personnel, which saved a great deal of money. The reasoning behind the conversion was mostly due to safety of the employees and surrounding neighborhood. So far, the new chemical has not been an issue operationally, but there is some increase in chemical costs of purchasing sodium hypochlorite versus gas chlorine.

The Commission completed the installation of a new North Lake Line that consisted of a 12-inch ductile iron pipe crossing Mark Twain Lake at the Hwy 107 bridge running north from Route U. This pipe serves two existing member systems with more reliability than the deteriorated 6-inch line that was taken out of service due to leaks. The new pipe may also allow for expansion of water services in that area. The was paid for out of the Capital Improvements Fund.

There are continued signs that our infrastructure is aging including the failed 6-inch lakebed main mentioned above. These signs validate the need to have a Capital Improvements Fund for replacement of deteriorated assets. We are committed to ensuring uninterrupted, high quality drinking water to all Member systems. Continued investing in future infrastructure replacements and improvements is a must.

The future remains bright, and we will continue to explore options to add new members to the Commission. As the audit shows, we enter Fiscal Year 2021 on a solid financial footing.

This is my first annual report for the Commission, and I want to thank the Board of Directors for the opportunity to serve its members. I am looking forward to doing so for years to come.

Sincerely yours,

Heath N. Hall
General Manager

CLARENCE CANNON WHOLESALE WATER COMMISSION

Board of Directors

SEPTEMBER 30, 2020

Bowling Green, City of	Director Tony Sneed	Alt Director Patrick "Bo" Stinnett
Cannon WD #1	Director Rhonda J. Elliott	Alt Director John Kendrick
Curryville, City of	Director Walter Haddock	Alt Director Sherri Noel
Edina, City of	Director Rick Yoakum	Alt Director Joe Dimmitt
Farber, City of	Director James Day, Jr.	Alt Director Ken Scott
Huntsville, City of	Director Connie Kissell	Alt Director Brian Kissell
Knox County PWSD #1	Director Gary Mallett	Alt Director Shirley Henderson
La Belle, City of	Director Wayne Rudd	Alt Director Keith Strange
Lewis County PWSD #1	Director Roger Goings	Alt Director Amy Klocke
Lewistown, City of	Director Wes Sharpe	Alt Director Eric Corrick
Macon County PWSD #1	Vice-Chairman David G. Waller	Alt Director Brian Bender
Madison, City of	Director Kevin Thomas	Alt Director Kathy Sasek
Marion County PWSD #1	Secretary Herman Yoder	Alt Director Tanner Tuley
Monroe County PWSD #2	Director Nancy Riechmann	Alt Director Adam Turner
New London, City of	Director Mary Jane White	Alt Director Keith Miller
Paris, City of	Director Jeffrey Ragsdale	Alt Director Lisa Hollingsworth
Perry, City of	Director Don Huff	Alt Director Matt Hawkins
Pike County PWSD #1	Director Mike Kurz	Alt Director Janice Luebrecht
Shelby County PWSD #1	Chairman Tony Stiefel	Alt Director Peggy O'Laughlin
Shelbyville, City of	Director Randy Shores	Alt Director Mike VanSlike
Thomas Hill PWSD #1	Treasurer Merl Lee Riley	Alt Director Travis Ginter
Vandalia, City of	Director Dave Sanders	Alt Director Darren Berry
Wellsville, City of	Director Howard Steele	Alt Director Jeff Moore

System Performance

Table 1: Ten Year Overall System Statistics

Fiscal Year	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Raw Water Pumped (MG)	1,517.08	1,672.06	1,660.72	1,702.57	1,620.25	1,622.30	1,587.68	1,678.00	1,596.03	1,572.14
Total Finished Water Pumped (MG)	1,468.45	1,608.88	1,592.50	1,637.61	1,550.24	1,553.46	1,516.47	1,604.86	1,520.71	1,505.77
Total Water Sold (MG)	1,390.01	1,538.99	1,529.98	1,579.70	1,501.26	1,506.00	1,469.11	1,529.17	1,443.62	1,451.53
Unaccounted for Water (%)	5.34	4.35	3.93	3.54	3.16	3.06	2.96	3.59	3.67	3.60
Average Daily Water Usage (MGD)	3.81	4.23	4.20	4.29	4.11	4.12	4.04	4.20	3.97	3.93
Total Contracted Water (MGD)	5.830	5.965	5.995	5.995	5.995	5.995	5.995	5.995	6.010	6.010
% of Contracted Water Used										
High	98	96	96	94	97	98	89	89	86	88
Low	40	39	34	51	47	45	45	45	24	23
Average	65	71	70	72	69	69	67	67	66	66
Cost of water to Members / KGAL										
High	\$5.60	\$6.13	\$6.71	\$5.64	\$5.69	\$5.51	\$5.80	\$5.52	\$9.88	\$10.23
Low	\$3.50	\$3.70	\$3.60	\$3.58	\$3.71	\$3.72	\$3.70	\$3.70	\$3.45	\$2.74
Average	\$3.93	\$4.19	\$4.29	\$4.03	\$4.01	\$3.98	\$3.93	\$3.93	\$3.93	\$3.44

Continuing Disclosure Reporting

Table 2: Average Daily Use (GPD) by Member vs. Water Supply Contract

Participating Member	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Water Supply Contract (GPD)	% of Total Contracts
Thomas Hill PWSD #1 (1)	865,625	874,675	895,022	977,297	890,571	864,290	1,275,000	21.21
Monroe Co. PWSD #2	359,375	351,801	363,577	394,783	383,651	400,730	720,000	11.98
Pike Co. PWSD #1 (1)	376,888	391,568	407,225	389,799	380,060	379,860	465,000	7.74
Cannon PWSD #1 (1)	305,477	301,082	323,239	331,843	322,541	339,440	390,000	6.49
Knox Co. PWSD #1	247,841	256,310	270,998	281,586	303,811	297,970	370,000	6.16
Marion Co. PWSD #1 (1)	311,700	308,858	308,321	297,053	282,100	312,720	355,000	5.91
Macon County PWSD #1	284,869	265,154	295,749	285,441	279,765	264,370	332,000	5.52
Shelby Co. PWSD #1	197,331	206,003	211,266	200,640	201,519	198,200	303,000	5.04
City of Bowling Green (2)	289,833	293,743	108,110	163,962	139,558	69,120	300,000	4.99
City of Vandalia (2)	159,019	153,536	160,319	156,143	112,797	124,710	250,000	4.16
City of Huntsville	107,666	107,981	107,753	105,745	98,841	95,890	200,000	3.33
City of Paris	85,378	95,443	97,437	110,099	89,445	95,650	150,000	2.50
Lewis Co. PWSD #1	82,150	83,445	80,712	93,120	80,264	87,450	135,000	2.25
City of Wellsville	67,830	71,224	66,082	71,272	72,228	67,200	135,000	2.25
City of New London	55,964	53,984	53,827	54,857	70,582	53,300	120,000	2.00
City of Edina	65,542	77,981	73,440	75,632	80,260	80,180	120,000	2.00
City of Perry	43,362	41,030	41,368	40,283	41,412	40,400	80,000	1.33
City of Lewistown	49,126	51,724	38,148	37,868	39,448	35,460	75,000	1.25
City of LaBelle	50,490	40,492	42,981	41,593	37,945	42,670	70,000	1.16
City of Madison	34,981	33,964	34,118	32,451	30,643	31,250	65,000	1.08
City of Shelbyville	32,290	32,702	33,970	34,055	30,066	30,060	55,000	0.92
City of Farber	15,011	14,798	14,775	17,330	17,393	13,360	30,000	0.50
City of Curryville	9,060	7,260	7,580	8,170	9,255	9,420	15,000	0.25
Totals	4,096,809	4,114,757	4,036,016	4,201,022	3,994,156	3,933,700	6,010,000	100.00

(1) These members purchase water from other sources in addition to water purchased from CCWWC.

(2) Operate a water treatment plant for some of their water.

Continuing Disclosure Reporting

Table 3: Historic System Debt Service Coverage from Base Charges

Note: Base Charge Revenues are used to pay debt.

Fiscal Year Ended Sept. 30	Base Charge Revenues	Investment Earnings on Reserve Funds	Reserve Fund Balance (Cash + Investments)	Total	Annual Debt Service	Coverage
2015*	\$3,220,340	\$23,109	\$1,617,064	\$4,860,513	\$3,130,803	155%
2016*	\$3,245,206	\$34,220	\$1,653,674	\$4,933,100	\$3,106,830	159%
2017*	\$3,025,868	\$24,133	\$1,550,836	\$4,600,837	\$3,021,988	152%
2018*	\$3,015,654	\$3,296	\$1,446,232	\$4,465,182	\$2,807,540	159%
2019*	\$3,016,907	\$44,891	\$2,274,007	\$5,335,805	\$2,897,469	184%
2020*	\$2,338,717	\$16,186	\$3,030,958	\$5,385,861	\$2,675,000	201%

Table 4: System Water Rates and Revenues

Note: Water Rate Revenues are used for operations and maintenance expenses.

Year Ending Sept 30th	Water Rate Revenues	Water Rate
2013	\$2,830,457	\$1.85/1000 gallons
2014	\$2,875,049	\$1.82/1000 gallons
2015	\$2,717,273	\$1.81/1000 gallons
2016	\$2,725,862	\$1.81/1000 gallons
2017	\$2,659,089	\$1.81/1000 gallons
2018	\$2,767,801	\$1.81/1000 gallons
2019	\$2,780,737	\$1.90/1000 gallons
2020	\$2,932,090	\$2.02/1000 gallons

Note: 10¢ per KGAL is added to the Water Rate for the Capital Improvements Fund.

Continuing Disclosure Reporting

Table 5: Largest Retail Water Customers

	Member	Retail Customer	Type of Business	Annual Usage
1	PWSD #1 Thomas Hill	Moberly Prison	Prison	110,066,000
2	City of Vandalia	Vandalia Women's Prison	Prison	46,519,000
3	PWSD #1 Shelby County	CNS International Ministries	School	15,550,400
4	WSD #1 Cannon	Great Escapes Mark Twain Landing	Business	13,497,900
5	PWSD #1 Thomas Hill	Chariton Pork LLC	Agriculture	12,825,800
6	PWSD #1 Marion County	BNSF Railway	Business	9,650,840
7	PWSD #1 Thomas Hill	City of Higbee	Municipality	8,426,400
8	PWSD #1 Pike County	City of Frankford	Municipality	6,420,000
9	PWSD #1 Pike County	BASF Ag Chemical	Business	6,089,100
10	PWSD #1 Pike County	Epperson Farms	Agriculture	3,944,000
11	PWSD #1 Marion County	CF Industries	Business	3,747,280
12	WSD #1 Cannon	BKY Inc.	Business	3,688,600
13	WSD #1 Cannon	USACE	Government	3,359,200
14	PWSD #1 Shelby County	City of Hunnewell	Municipality	2,425,400
15	WSD #1 Cannon	Loves Truck Stop	Business	2,836,600
			Total	249,046,520

