



ANNUAL REPORT

FY 2022

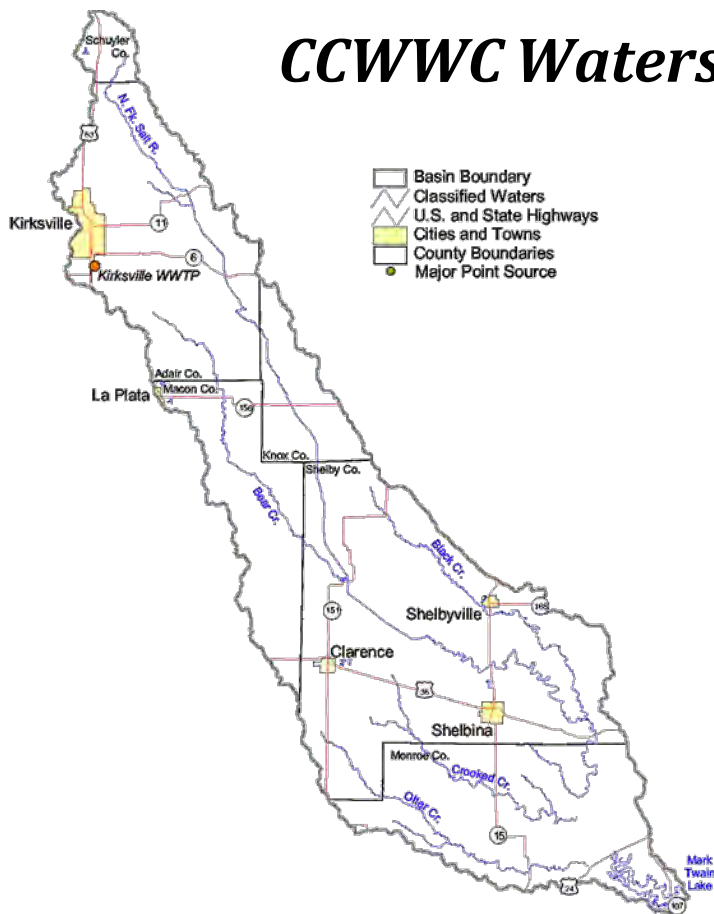
www.clarencecannonwater.org

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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 Commission has and active Source Water Protection Program.

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 2022 there were fourteen cities and nine rural water districts making up the 23 Member systems that own the Commission.

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 along with 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 PWS. The Commission also more than doubled its treatment capacity in 2007 by completing a plant expansion.

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 2022 water sold averaged 4 MGD and was distributed to 14 counties in Northeast Missouri.

A Board of Directors governs 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. They set rates for the sale of wholesale water to contracting parties. Rates are typically reviewed and modified (if necessary) yearly in October to coincide with the beginning of the fiscal year.

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, budgeting, and administration of the organization. He holds a Bachelor of Science in Civil Engineering from the Missouri University of Science and Technology. He has 21 years of experience managing public drinking water systems and began working for the Commission in 2020. 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 Drinking Water Treatment license, DS III distribution license, and has been with the Commission since 1996. Todd runs the office efficiently, providing administrative support, billing to the Members, administers payroll, processes bills, and is the Custodian of Records for the Board. The Distribution Supervisor, Bill 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, SCADA system, booster pump stations, storage tanks, and other associated water distribution equipment. Bill holds a Missouri Class C water operator license, a DS III distribution license, and began working at CCWWC in 1997. Howard holds a Missouri DS III distribution license and started with the Commission in 2010.

The operation and maintenance of the Water Treatment Plant is contracted to Veolia North America. The local Veolia 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 Veolia will expire June 11, 2023, and there are plans underway to allow the contract to expire. The Veolia staff will be transferred to CCWWC and continue operations seamlessly to the member systems. Scott Allen serves as Chief Operator at the facility and holds a Missouri Class A Drinking Water Treatment license and Class A Wastewater Treatment license. He has been a contractor with the Commission since 1990. 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, 2022

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.

FY 2022 was not without challenges. COVID-19 and staffing turnover affected scheduling from time to time, but nothing we were not able to handle. Many thanks to Scott Allen and the other Veolia operators for covering during manpower shortages.

Like FY 2021, our biggest challenge was increased chemical costs and inconsistent availabilities and deliveries. Supply chain issues have continued, but we have adjusted and continue to stock more chemicals on site and monitor orders closely. The chemical budget rose 14% from FY 2022 to FY 2023, and not is 28% of the operations budget.

For the seventh 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 (\$2.18) or \$4.91 per thousand gallons received. No Members purchased seasonal water during the year.

Cannon Water District added 20,000 gpd to their allotted shares of water purchased in July of 2022 bringing their total allotment shares to 430,000 gpd.

The cities of Laddonia and Monroe City have both committed to joining the Commission to provide all their drinking water needs. With the assistance of Bartlett & West, CCWWC was able to secure grants and low interest loans for both projects through the Missouri Department of Natural Resources State Revolving Fund Loan Program. The project cost details are shown below. Engineering work is underway, and both connection projects should be completed by 2025.

	Total Project Estimate	Grant	SRF Loan	Engineering Contract
Laddonia	\$2,060,000	\$1,545,500	\$515,000	\$400,000
Monroe City	\$8,240,000	\$3,000,000	\$5,240,000	\$1,650,000

We continue to set money aside for Capital Improvements to replace and upgrade some of the original 1992 equipment and facilities. Planning for the future, both financially and operationally are constantly on my mind. We will also continue to look for new opportunities to sell more water. Thank you to the Board of Directors for the opportunity to serve its Members.

Sincerely,

Heath N. Hall

hhall@clarencannonwater.org

General Manager

CLARENCE CANNON WHOLESALE WATER COMMISSION

Board of Directors

SEPTEMBER 30, 2021

Bowling Green, City of	Director Verlon Persinger	Alt Director LaDon Atkinson
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 Tony Shade	Alt Director Barbara Straube
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 Alan Crow	Alt Director Barb McCall
Perry, City of	Director Don Huff	Alt Director Sonya Johnston
Pike County PWSD #1	Director Mike Kurz	Alt Director Janice Luebrecht
Shelby County PWSD #1	Chairman Tony Stiefel	Alt Director Philip Macgruder
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 Dena P. Saak	Alt Director Jake Sewe

System Performance

Table 1: Ten Year Overall System Statistics

Fiscal Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Raw Water Pumped (MG)	1,660.72	1,702.57	1,620.25	1,622.30	1,587.68	1,678.00	1,596.03	1,572.14	1,568.45	1,572.61
Total Finished Water Pumped (MG)	1,592.50	1,637.61	1,550.24	1,553.46	1,516.47	1,604.86	1,520.71	1,505.77	1,490.33	1,515.04
Total Water Sold (MG)	1,529.98	1,579.70	1,501.26	1,506.00	1,469.11	1,529.17	1,443.62	1,451.53	1,447.92	1,460.58
Unaccounted for Water (%)	3.93	3.54	3.16	3.06	2.96	3.59	3.67	3.60	2.85	3.59
Average Daily Water Usage (MGD)	4.20	4.29	4.11	4.12	4.04	4.20	3.97	3.93	3.97	4.00
Total Contracted Water (MGD)	5.995	5.995	5.995	5.995	5.995	5.995	6.010	6.010	6.030	6.050
% of Contracted Water Used										
High	96	94	97	98	89	89	86	88	91	88
Low	34	51	47	45	45	45	24	23	22	24
Average	70	72	69	69	67	67	66	66	66	66
Cost of water to Members / KGAL										
High	\$6.71	\$5.64	\$5.69	\$5.51	\$5.80	\$5.52	\$9.88	\$10.23	\$10.70	\$10.13
Low	\$3.60	\$3.58	\$3.71	\$3.72	\$3.70	\$3.70	\$3.45	\$2.74	\$2.43	\$2.39
Average	\$4.29	\$4.03	\$4.01	\$3.98	\$3.93	\$3.93	\$3.93	\$3.44	\$2.91	\$3.00

Continuing Disclosure Reporting

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

Participating Member	FY2018	FY2019	FY2020	FY2021	FY2022	Water Supply Contract (GPD)	% of Total Contracts	Service Connections	Population
Thomas Hill PWSD #1 (1)	977,297	890,571	864,290	847,210	833,180	1,275,000	21.07	4,184	10,315
Monroe Co. PWSD #2	394,783	383,651	400,730	432,250	422,750	720,000	11.90	2,841	6,677
Pike Co. PWSD #1 (1)	389,799	380,060	379,860	378,790	396,910	465,000	7.69	2,842	6,655
Cannon PWSD #1 (1)	331,843	322,541	339,440	336,990	357,340	430,000	7.11	2,890	6,482
Knox Co. PWSD #1	281,586	303,811	297,970	280,040	307,750	370,000	6.12	1,731	4,298
Marion Co. PWSD #1 (1)	297,053	282,100	312,720	312,210	312,540	355,000	5.87	2,020	4,900
Macon County PWSD #1 (1)	285,441	279,765	264,370	302,650	288,630	332,000	5.49	4,824	11,606
Shelby Co. PWSD #1	200,640	201,519	198,200	201,360	199,010	303,000	5.01	1,282	3,120
City of Bowling Green (2)	163,962	139,558	69,120	66,180	72,650	300,000	4.96	1,492	5,334
City of Vandalia (2)	156,143	112,797	124,710	88,770	79,260	250,000	4.13	1,242	2,529
City of Huntsville	105,745	98,841	95,890	95,740	99,360	200,000	3.31	667	1,563
City of Paris	110,099	89,445	95,650	101,740	96,540	150,000	2.48	613	1,250
Lewis Co. PWSD #1	93,120	80,264	87,450	87,510	85,730	135,000	2.23	710	1,688
City of Wellsville	71,272	72,228	67,200	78,560	95,320	135,000	2.23	424	1,270
City of New London	54,857	70,582	53,300	60,490	69,280	120,000	1.98	494	975
City of Edina	75,632	80,260	80,180	92,760	75,360	120,000	1.98	596	1,153
City of Perry	40,283	41,412	40,400	41,680	40,780	80,000	1.32	408	694
City of Lewistown	37,868	39,448	35,460	35,400	39,320	75,000	1.24	293	580
City of LaBelle	41,593	37,945	42,670	42,670	46,040	70,000	1.16	308	660
City of Madison	32,451	30,643	31,250	30,390	30,940	65,000	1.07	293	554
City of Shelbyville	34,055	30,066	30,060	29,940	28,330	55,000	0.91	256	552
City of Farber	17,330	17,393	13,360	14,130	15,360	30,000	0.50	136	450
City of Curryville	8,170	9,255	9,420	9,480	9,200	15,000	0.25	84	255
Totals	4,201,022	3,994,156	3,933,700	3,966,940	4,001,580	6,050,000	100.00	30,630	73,560

(1) Purchase water from other sources in addition to water purchased from CCWWC

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

Population and Service Connection data from 2020 Census

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	Reserve Fund Balance (Cash + Investments)	Total	Annual Debt Service	Coverage
2013	\$3,617,375	\$1,523,857	\$5,159,275	\$3,416,622	151%
2014	\$3,628,332	\$1,889,669	\$5,533,609	\$3,156,653	175%
2015	\$3,220,340	\$1,617,064	\$4,860,513	\$3,130,803	155%
2016	\$3,245,206	\$1,653,674	\$4,933,100	\$3,106,830	159%
2017	\$3,025,868	\$1,550,836	\$4,600,837	\$3,021,988	152%
2018	\$3,015,654	\$1,446,232	\$4,465,182	\$2,807,540	159%
2019	\$3,016,907	\$2,274,007	\$5,290,914	\$2,897,469	183%
2020	\$2,338,717	\$3,030,958	\$5,369,675	\$2,675,000	201%
2021	\$1,199,776	\$3,160,354	\$4,360,130	\$1,262,500	345%
2022	\$1,157,873	\$2,488,867	\$3,646,740	\$971,800	375%

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
2021	\$3,151,973	\$2.03/1000 gallons
2022	\$3,237,771	\$2.18/1000 gallons

Note: There was an additional Capital Improvements Fund charge of \$0.15/1,000 gallons in FY 2022.

Continuing Disclosure Reporting

Table 5: Largest Retail Water Customers

	Member	Retail Customer	Type of Business	Annual Usage (gals)
1	PWSD #1 Thomas Hill	Moberly Prison	Prison	99,818,000
2	City of Vandalia	Vandalia Women's Prison	Prison	28,929,000
3	Macon County PWSD#1	City of Clarence	Municipality	16,871,628
4	PWSD #1 Thomas Hill	Chariton Pork LLC	Agriculture	13,531,600
5	PWSD #1 Shelby County	CNS International Ministries	School	11,888,800
6	WSD #1 Cannon	Great Escapes	Landing Water Park	10,733,900
7	PWSD #1 Thomas Hill	City of Higbee	Municipality	10,244,800
8	PWSD#1 Pike County	City of Frankford	Municipality	8,801,000
9	PWSD #1 Marion County	BASF	Agriculture	7,470,700
10	WSD #1 Cannon	USACE	Government	6,972,100
11	PWSD #1 Marion County	CF Industries	Business	4,913,810
12	PWSD #1 Shelby County	City of Hunnewell	Municipality	4,387,000
13	City of Wellsville	Gamma Road Lodge	Business	4,158,100
14	WSD #1 Cannon	Loves Truck Stop	Business	3,426,700
15	WSD #1 Cannon	BKY Nursing Home	Business	3,108,700
			Total	218,615,538

