

## Building for our Member's Future

After nearly 17 months of deliberation, the Tri-County Electric Cooperative Board of Directors have committed to building a new Cooperative complex.

This decision was not made lightly or without considerable thought. Months of research and discussion led your board of directors to the conclusion that a new building complex made more sense, both economically and for the future, than spending money to address the problems at our existing facilities. The board approved a motion to build a new complex with a total cost not to exceed \$3.2 million. This compares to estimates on the cost to repair Tri-County's existing facilities which totaled \$1.08 million - \$609,061 for the office building; \$187,005 for the north truck storage building; \$213,434 for the east warehouse/truck storage building; and \$72,618 for the pole-yard building. These costs did not include the expenses associated with temporarily relocating the offices while repairs were being made. Additionally a functional analysis of the buildings also identified several deficiencies with parking, work flow, energy efficiency and the size and use of the existing structures.

During the course of their deliberations, the board considered the possibility of merging or consolidating with a neighboring cooperative. They decided that it was in the best interest of Tri-County Electric to remain a separate entity.

A brief timeline of the time and effort put forth by the directors in evaluating their options is as follows:

- The discussion began at the June, 2008 board meeting, after a discovery that the iron lintel that supports the north wall of the office building had rusted through, compromising the structural integrity of the wall. Staff was given the approval to hire a civil engineering company out of Columbia, MO to do a comprehensive structural evaluation of the office building. Their report, dated July 21, 2008 indicated several problem areas.

Here are some of the comments from the report:

### Attic Observations

- North gable wall has separated from the ceiling joists approximately 2 ¾" indicating that the wall has "translated outward".
- Long term moisture damage is apparent at both the north and south gable walls which has likely compromised the integrity of the building in these areas.
- South gable wall has separated from the ceiling joists approximately 1" indicating that the wall has "translated outward".

### Basement Level Observations

- Lack of ventilation has led to a noticeable amount of humidity.
- Evidence of past termite damage was observed at several locations in the ceiling/floor joists. Several joists are deteriorated to the point that a screwdriver could pass through the member.
- Several ceiling/floor joists along the east wall were deteriorated from an apparent long term moisture exposure.

### Exterior Observations

- Thresholds at east entry door have developed large separations.
- Lintels above the original windows on north side of the building have severely oxidized.
- A sizeable separation exists on the north wall; separation was apparently caused by oxidation of the nearby lintel.

- North gable wall has bowed outward approximately 2 ½” near the center of the wall. This condition would categorize the wall as dangerous. Should be repaired or replaced.

Upon the completion of the evaluation, the engineer also made the staff aware that the moisture in the basement had most likely caused mold growth in the building.

- Preliminary results of the evaluation were brought back to the July, 2008 board meeting with a recommendation that the building be tested for mold contamination. A mold testing firm from Quincy, IL was hired to inspect the building. Those tests showed significant levels of mold in the building and included a recommendation to stop using the basement area until the mold had been remediated.
- At their August, 2008 board meeting the board reviewed the detailed report of the engineering firm and gave the staff the authority to spend nearly \$19,000 (low bid) to mitigate the mold in the building.
- Further discussion on the building was held at the September 2008 board meeting and staff was directed to get estimates on the costs to repair the building.
- In October, 2008, the board reviewed the estimates on replacing the north/south gable walls and redoing the concrete across the south and east sides of the building in order to help prevent the moisture (and mold) from reoccurring. Further discussion was tabled until a special board meeting on December 15, 2008.
- Continued discussion was held at the board meetings in December, 2008 and approval was given to do temporary repairs on the north gable wall which were completed in February 2009.
- Further discussion was held at board meetings in March and June. Four directors volunteered to tour recently constructed cooperative buildings to get an idea of possible costs and construction timelines, in the event that the board would decide to go ahead with constructing a new facility.
- At a special board meeting on September 3, 2009, the board engaged the services of a firm to do an evaluation of all buildings for any needed repairs.
- Michael Rallo, Ralco Construction Management Services inspected all of the cooperative buildings. At the September, 2009 board meeting the board heard a report outlining the following deficiencies:

#### Main Office Building

- Noted the same deficiencies listed above in the July 2008 report.
- Floor in office is uneven and soft in certain areas. Floor should be removed and sub-floor and ceiling/floor joists inspected and replaced as needed.
- Electrical panels and wiring are not up to date and would not meet safety codes. Building should be rewired and brought up to date.

#### North Truck Storage Building

- Exterior pavement is broken and cracked and needs to be replaced.
- Area in front of building needs to be graded to drain water away from building.
- Interior drains should be re-plumbed into a holding tank to prevent oils and hydraulic fluids from being washed into storm water system.
- Loading dock height is incorrect for loading/unloading material and needs to be redone.

#### East Warehouse/truck Storage Building

- Exterior concrete apron is damaged and needs to be replaced.
- East and north grades need to be redone in order to prevent water from standing against and entering the building.
- Interior drains should be re-plumbed into a holding tank to prevent oils and hydraulic fluids from being washed into storm water system.
- Gutters on building need to be replaced with a larger system and additional downspouts are needed to direct water away from building.
- Ductwork appears to be asbestos covered. Needs to be removed and replaced.
- Two bathrooms in building are too small and do not meet code.
- Electrical system does not meet code and needs to be replaced.

#### Pole-yard Building

- Loading dock height is incorrect for loading/unloading material and needs to be redone.
- Electrical system is inadequate and needs to be replaced.
- There is no plumbing in the building.
- Interior drains should be re-plumbed into a holding tank to prevent oils and hydraulic fluids from being washed into storm water system.

The report included the costs to repair these items as listed above. Based on the results of the study, the board directed the staff to pursue the hiring of an architect/builder and to pursue potential sites for a complex.

- At a special board meeting on October 15, 2008, the board interviewed three different design build teams before selecting the team of Cooperative Building Solutions out of St. Charles, MO. With that decision, they committed to build a new complex instead of renovating the old facilities.

As indicated by the above timeline, the board and staff spent countless hours discussing options for staying in our existing facilities. In making the decision to build, the board considered the state the economy, financial concerns and the future of Tri-County Electric. The question came down to investing a million dollars in our old facilities or committing to the future of Tri-County Electric for the next 50 years. This new complex is their commitment to the future of Tri-County, a future in Northeast Missouri.

At the time of this writing, a decision on the location had not been made. The board is considering several sites in northern Schuyler County and will likely make a decision in the next few months.

Members are encouraged to call the office with questions. Both of the above mentioned studies are available at the office for review by any interested member.