

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI**

HELD ON THE TWENTIETH DAY OF DECEMBER, 2016

On the twentieth day of December, 2016 the Board of Municipal Utilities met in Special Session at 4:00 P.M. in the Board Room at the Utility office. The following members of the body were present:

Messrs: Alan Keenan, Jeff Sutton, Brian Menz, Tim Merideth

Absent:

Also Present: Ryan Merideth, City Council; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Jeff Winders, Marcia Witt, Don Miller, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff; Mark Baker, IBEW; approximately twelve BMU employees

There being a quorum present, the following business was transacted:

Action on Agenda

There was no action on the agenda

A motion was made by Tim Merideth to accept the agenda. The motion was seconded by Brian Menz. A roll call vote was held as follows, Sutton, Menz, Keenan, Merideth "Yes" The Agenda was approved.

Action on Monthly Agenda Items

Mr. Keenan asked for a motion to approve the minutes of the Regular Meeting of November 08, 2016. A motion was made by Jeff Sutton and seconded by Brian Menz. A roll call vote was held as follows. Keenan, Menz, Merideth, Sutton "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for October, 2016.

Total kWh retail sales were up 2.2% from October, 2015. Retail Electric showed a net loss of \$100,057. The electric wholesale system had a net income of \$517,936 for October. Witt reviewed SPS expenses for the month. The water department showed a net income of \$43,569. The sewer department combined had a net income of \$3,274. The sewer department alone had a net loss of \$24,786. The sewer lagoon had a net income of \$28,060. Witt also reviewed the Electric System Pro Forma Report.

A motion to approve the report was made by Jeff Sutton and was seconded by Brian Menz. The following roll call vote was held. Merideth, Menz, Keenan, Sutton "Yes". The report of the Financial Department was approved.

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

A meeting is scheduled this week with Unilever to discuss the results of the electric quality study. Electric line crews are scheduling repairs from Phase 2 of the 161kv inspection project.

The Larcel forcemain project is completed. Water and sewer crews have been doing routine maintenance and repairs.

Winders updated the Board on current projects.

He also reported on two recent incidents. On Sunday, December 18, 2016 a leak was discovered at the Industrial Park water tank. The tank was drained and a contractor was called in to inspect and repair. The leak was due to rust. Further inspection and repairs will be made when warm weather returns. Winders also reported on a water main leak on Autumn Drive on Monday, December 19, 2016.

A motion was made by Tim Merideth to approve the Retail Operations Report. The motion was seconded by Jeff Sutton and the following roll call vote was held, Menz, Merideth, Sutton, Keenan "Yes". The Retail Operations Department Report was approved.

Sikeston Power Station

Don Miller presented the report from the Sikeston Power Station for October, 2016. There was one derate for the month. The derate was to complete the 3,000 hour inspection on the pulverizer and PA fans. The load capacity factor for September was 89.92%.

Miller reported the fall mill outage completed five days ahead of schedule and with no overtime.

Miller reviewed the coal stockpile estimates. He reported on an ongoing problem with a Precip. Rapper. SPS staff is researching ways to correct the problem without taking the unit off line. Miller also reviewed the recent power prices.

A motion was made by Brian Menz to approve the SPS Report. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The Report for the Sikeston Power Station was approved.

Broadband Bids

Rick Landers reported that no bids were received from the recent Request for Bids to lease the BMU fiber system.

General Manager's Report

Rate Study Update – Marcia Witt reported that Utility Financial Solutions is finalizing their model for the Electric Rate Study. We should have some results from them soon.

Unilever Update – The current focus is on Unilever's wastewater needs. Landers reviewed current efforts to upgrade the Industrial Park Wastewater Lagoon, the project to build the sewer line from the Industrial Park to the Southeast Wastewater Treatment Plant and Unilever's long term wastewater needs.

2017 SPS Outage – Landers briefed the Board on the estimated cost of the spring 2017 SPS outage.

Current Topics – Rick Landers reported on our plans to attend the January 2017 of the Southwestern Power Resources Association. Representatives of our "Contract Cities" will also attend.

Public Comment

Mark Baker of IBEW thanked the Board for the opportunity to address the meeting. He commented on the dedication of the BMU employees and the current contract talks between BMU and IBEW.

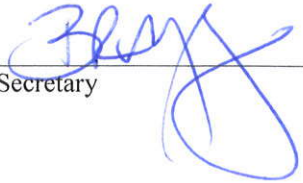
Chairman Keenan and Board Member Jeff Sutton thanked the members for attending and also commented on the current electric rates and conditions in the electric utility market.

Executive Session

Mr. Keenan cited a need to enter Executive Session. Tim Merideth made a motion to enter Executive Session. The motion was seconded by Jeff Sutton and the following roll call vote was held, Merideth, Menz, Keenan, Sutton "Yes". The Board entered Executive Session. No action was taken in Executive Session and no business was transacted. Tim Merideth made a motion to adjourn Executive Session. Brian Menz seconded. Roll call vote, all yes.

Adjournment

There being no further business Brian Menz moved to adjourn the meeting. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. Mr. Keenan declared the meeting adjourned


Secretary