

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

HELD ON THE TENTH DAY OF JANUARY, 2017

On the tenth day of January, 2017 the Board of Municipal Utilities met in Regular 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: J.D. Douglass, City Manager; 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; Jack Sutton

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 Jeff Sutton to accept the agenda. The motion was seconded by Tim Merideth. 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 Special Meeting of December 20, 2016. A motion was made by Brian Menz and seconded by Jeff Sutton. 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 November, 2016.

Witt reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports.

Total kWh retail sales were down 1.4% from November, 2015. Retail Electric showed a net loss of \$314,612. The electric wholesale system had a net income of \$274,705 for November. Witt reviewed SPS expenses for the month. The water department showed a net income of \$20,923. Gallons of water sold were up 5.0% from November last year. The sewer department combined had a net income of \$20,767. The sewer department alone had a net income of \$8,377. The sewer lagoon had a net income of \$12,389.

A motion to approve the report was made by Brian Menz and was seconded by Tim Merideth. 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.

Electric crews and Water and Sewer crews have been doing routine maintenance and repairs. Fronabarger has completed the sewer relocation at South Point.

Winders updated the Board on current projects.

He also updated the Board on a recent incident. The December 18, 2016 Industrial Park water tank leak was repaired. The leak was due to rust and will require more extensive repairs when warmer weather returns. He discussed the water supply and storage issues involved when repairs are made. The tank will have to be drained and repairs will take approximately two to three weeks. Chairman Keenan questioned Staff on current water rates and the date of our last water rate increase. He asked Staff to prepare a five to seven year projection of water rates. Winders reported that Layne Arkansas is ready and waiting on the go-ahead from BMU to proceed with test wells for a proposed new water plant.

Winders reported on a recent Notice of Violation from Missouri DNR citing Ammonia levels at the Wastewater Treatment Plant. He also has received a notice of an upcoming Audit by Missouri DNR on the BMU Pretreatment Program.

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 November, 2016.

There was one derate for the month. The derate was to complete the 3,000 hour inspection on the mills. The load capacity factor for September was 91.11%.

Miller reviewed the coal stockpile estimates. Miller also reviewed the recent power prices. He reported that wind generation has had a definite affect on prices this week.

A motion was made by Jeff Sutton 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.

Guest

Chairman Keenan introduced Jack Sutton. Jack is a student at The University of Mississippi and is the son of Board Member Jeff Sutton. Participants in the meeting introduced themselves and gave a brief job description.

Forcemain Financing Bids

Rick Landers reviewed bids received for financing the Sewer Forcemain project. Six bids were received on December 22, 2016 to finance the approximately \$1,800,000 project. Staff recommended awarding the financing to Focus Bank of Sikeston.

A motion was made by Jeff Sutton to award the financing to Focus Bank. The motion was seconded by Brian Menz and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The financing bid by Focus Bank of Sikeston was approved.

Messaging Platform

Rick Landers presented and reviewed a proposed Messaging Platform for Education and Awareness Campaign. The proposal was prepared by Bold Marketing and is to be used for future social media posts, presentations and video productions by BMU.

A motion was made by Tim Meridith to approve the proposal. The motion was seconded by Jeff Sutton and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The messaging platform proposal was approved.

General Manager's Report

Rate Study Update – Marcia Witt reported on recent discussions with Utility Financial Solutions and that UFS is finalizing their model for the Electric Rate Study. We should have a draft report from them by the end of the month.

Current Topics – Rick Landers reported on our plans to update the BMU policy on customer-owned solar panels. The current policy is approximately five years old. Landers

reviewed our need to update our Interconnection Policy. He asked the Board for approval to proceed with an RFP to update the policy.


A motion was made by Tim Merideth to approve proceeding with the RFP. The motion was seconded by Jeff Sutton and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The request was approved.

Executive Session

Mr. Keenan cited a need to enter Executive Session. Brian Menz made a motion to enter Executive Session. The motion was seconded by Tim Merideth 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 Jeff Sutton 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