

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

HELD ON THE FOURTEENTH DAY OF FEBRUARY, 2017

On the fourteenth day of February, 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: Steven Burch, Mayor; Mike Marshall, Economic Development/Chamber of Commerce Director; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Jeff Winders, Marcia Witt, Don Miller, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff

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 Brian Menz 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 Regular Meeting of January 10, 2017. A motion was made by Jeff Sutton and seconded by Tim Merideth. 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 December, 2016.

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

Total kWh retail sales were up 4.3% from December, 2015. Retail Electric showed a net loss of \$533,144. Notable items this month, for all departments, were three payrolls and additional year-end health insurance costs. The electric wholesale system had a net loss of \$177,389 for December. Witt reviewed SPS expenses for the month. The water department showed a net loss of \$127,875. Gallons of water sold were up 9.2% from December last year. The sewer department combined had a net loss of \$256. The sewer department alone had a net loss of \$9,679. The sewer lagoon had a net income of \$9,423.

A motion to approve the report was made by Brian Menz and was seconded by Jeff Sutton. 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. Substation crew has been working with a contractor to repair City Transformer #3 at SW Substation. They have also been working with Integrity on two new fiber-optic cable runs.

Winders updated the Board on current projects.

Water/wastewater crews have been working with a MoDNR audit of the pretreatment program. Layne Arkansas is being scheduled to begin drilling test holes for possible water plant locations. Contractor is laying pipe along HH for the line from Industrial Park Lagoon to the Southeast treatment plant. Phase 2 of the pole inspection project is complete.

A motion was made by Jeff Sutton to approve the Retail Operations Report. The motion was seconded by Tim Merideth 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 December, 2016. There were four forced outages and three unplanned derates for the month. Miller reviewed the outages and derates for the Board.

He reported on preparation for the upcoming outage. The outage is scheduled for three

weeks but they hope to finish in two weeks.

Miller reviewed the coal stockpile estimates. An insurance company representative will be at SPS this week for an annual inspection

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

Forcemain Project Lease – Resolution 2017-01

Rick Landers presented a Resolution authorizing the Board of Municipal Utilities to enter into a Lease-Purchase Agreement with Focus Bank. This agreement is to finance the forcemain project from the Industrial Park Lagoon to the Southeast Wastewater Treatment Plant.

A motion was made by Brian Menz to approve the Resolution. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The Resolution was approved.

SWPA Contract 308 Amendment – Resolution 2017-02

Rick Landers reviewed the proposed Resolution. The Resolution authorizes the Chariman of the Board of Municipal Utilities to sign the Amendatory Agreement between the Board of Municipal Utilities and the Soutwestern Power Administration.

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

Black & Veatch Five-Year Study

Rick Landers gave an overview of the Study. Items covered in his review were debt service coverage, the need for additional electric rate increases and timing of increases and where Sikeston's electric rates rank among other Missouri utilities.

A motion was made by Jeff Sutton to approve the Study. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The Five-Year Study was approved.

Water Department Requested Information

At the January meeting the Board had requested information on the rate, usage and revenue history of the water department. Finance Manager Marcia Witt prepared the requested information for the Board. Rick Landers addressed the cost of maintaining our five water tanks. Staff and Board discussed the long term needs of the Water Department. They discussed the

need for water rate increases, the size and timing. Chairman Keenan suggested formulating a plan and schedule of water rate increases and coordinating the plan with the needed electric rate increases.

General Manager's Report

Rick Landers presented the bids for the Transmission Interconnect Study RFP. Bids were received from four bidders. The low bid was received from Sargent and Lundy in the amount of \$80,000. Staff and Board discussed the RFP and the bids received.

A motion was made by Tim Merideth to accept the bid of Sargent and Lundy. The motion was seconded by Brian Menz and the following roll call vote was held, Merideth, Keenan, Sutton, Menz, "Yes". The bid was accepted.

Landers reported on a recent MoDNR inspection at Aramark. A chemical has shown up in some samples pulled from wells on the property. Per DNR orders, Aramark must initiate cleanup procedures. As part of this cleanup Aramark is asking for permission to put monitoring wells on BMU property across the street from Aramark. There was a lengthy discussion of possible effects the monitoring wells could have on BMU wells. No decision was made at this time. Board Attorney Joe Blanton was asked to research the issue and report his findings at the March, 2016 meeting.

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