

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

**HELD ON THE FOURTEENTH DAY OF MARCH, 2017**

On the fourteenth day of March, 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, Brian Menz, Tim Merideth

**Absent:** Jeff Sutton

**Also Present:** Steven Burch, Mayor; J.D. Douglass, City Manager; Ryan Merideth, Gerald Settles, City Council Members; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Jeff Winders, Marcia Witt, Don Miller, Doug Shaw, Ron Priday, Erin Miller, Trey Holley of the Utility Staff; Mark Beauchamp, Utility Financial Solutions

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

**UFS Rate Study**

Mark Beauchamp, President of Utility Financial Solutions presented the preliminary results of the Electric Cost of Service and Financial Projection. The presentation centered on the projected electric rate adjustment. Beauchamp presented a multi-year electric rate adjustment plan. He also illustrated how the multi-year rate plan was designed and how it would impact the BMU financial situation, mainly debt-service coverage and cash reserves. He then presented details of specific areas of the BMU rate structure where increases are needed. The discussion moved to timing of the rate changes and coordination with City Council. The Board and Staff agreed to meet again in approximately two weeks with a UFS representative to discuss the preliminary rate design.

**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, 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 February 14, 2017. A motion was made by Brian Menz and seconded by Tim Merideth. A roll call vote was held as follows. Keenan, Menz, Merideth “Yes”. The minutes were approved as presented.

### **Financial**

Finance Manager Marcia Witt presented the Financial Report for January, 2017.

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

Total kWh retail sales were up 13.8% from January, 2016. Retail Electric showed a net income of \$142,471. Notable items this month, for all departments, were payment of annual earned benefits. The electric wholesale system had a net income of \$253,604 for January. Witt noted revenues were up due to increased excess sales compared to last year. The water department showed a net loss of \$68,491. Gallons of water sold were down 3.6% from last year. The sewer department combined had a net loss of \$23,699. The sewer department alone had a net loss of \$37,427. The sewer lagoon had a net income of \$13,727.

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, “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. Winders reported on outages and incidents for the month. He reported on the recent Missouri DNR Audit. He gave an update on current projects in the Water Department, Wastewater Department and Phase 2 of the Pole Inspection Project.

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

### **Sikeston Power Station**

Don Miller presented the report from the Sikeston Power Station for January, 2017. There were no forced outages or derates for the month. The net capacity factor for the month was 98.47%.

He reported on preparation for the upcoming outage. The outage is scheduled for three weeks but they hope to finish in two weeks. SPS staff has also been working on the 2018 budget.

Miller reviewed the coal stockpile estimates.

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, Menz, "Yes". The Report for the Sikeston Power Station was approved.

### **Wholesale Department Budget**

Marcia Witt presented the cost summary for the Sikeston Power Station Budget. Witt asked for Board approval to provide the summary to the Purchasing Cities in compliance with the Power Sales Contracts. Since the electric rate study provides valuable revenue data needed for the budget the entire Electric Department budget will be presented to the Board after the rate study has been completed and reviewed.

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

### **General Manager's Report**

SPA Amendment MO14 - Rick Landers reviewed Amendment MO14 to the Southwestern Power Administration Contract. He noted the Amendment adjusts the end date of the contract.

BN Renewal – 5 years (2018-2011) - Landers reported he is currently in contract talks with Burlington Northern Railroad. The current contract ends December 31, 2017.

SPA Trust MOA - Landers briefed the Board on a Memorandum of Understanding with the Southwestern Power Administration. The MOA gives SPA authority to specify that BMU payments may be directed to specific SPA uses or projects.

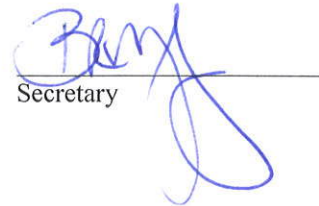
Current Topics - Landers reported on efforts to set up a meeting between Unilever and Missouri Department of Natural Resources to discuss Unilever's wastewater issues. He discussed how the current Force Main project will benefit Unilever.

### **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, "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