

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

HELD ON THE SIXTEENTH DAY OF MAY, 2017

On the sixteenth day of May, 2017 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, Brian Menz, Tim Merideth

Absent: Jeff Sutton

Also Present: J.D. Douglass, City Manager; Gerald Settles, City Council Member; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Jeff Winders, 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 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 April 11, 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.

Mr. Keenan asked for a motion to approve the minutes of the Special Meeting of May 05, 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

Accountant Erin Miller presented the Financial Report for March, 2017. Miller reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports. She reported that approximately \$1.1 million in expense items were reclassified as capital items

under the new capitalization policy.

Total kWh retail sales were down 14.7% from March, 2016. Retail Electric showed a net income of \$15,881. The electric wholesale system had a net income of \$650,188 for March. Miller noted revenues were up due to increased excess sales compared to last year. The water department showed a net loss of \$2,411. Gallons of water sold were down approximately 5.5% compared to last year. The sewer department combined had a net income of \$58,910. The sewer department alone had a net income of \$40,522. The sewer lagoon had a net income of \$18,387. Miller commented that entries were made in all departments to adjust the year to date financial statements to conform to the new capitalization policy.

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.

He reported on the outage on the LaValle circuit on the morning of April 22. The outage occurred when a line fell. The area under the line was too soft and muddy to allow line trucks access. Supplies were hauled in by backhoe and line crews climbed the poles to make repairs. Repairs were completed and power restored in six hours.

Water Department staff is working on specifications for painting the Industrial Park water tank. This tank developed a leak a few months ago and a temporary patch was put in place until proper repairs could be made. Winders also briefed the Board on preparations for summer water usage. Winders reported on the recent DNR audit of BMU's water plants and lab. An audit of the wastewater plant is expected in May.

Winders reported on the water test drilling at Ables Road and Ingram Road. We were not successful in accessing the Wilcox Aquifer at this site. Plans are being made to move to another test site. Winders updated the Board on current projects.

A motion was made by Brian Menz to approve the Retail Operations Report. The motion was seconded by Tim Merideth 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 March, 2017. There was one forced outage and one planned outage for the month. The net capacity factor for the month was 52.61%.

Miller reported on a lightning strike in early May that caused the unit to trip. The lightning strike damaged some circuit boards on the coal feeders. SPS crews found and repaired a tube leak during the forced outage.

Miller reviewed the coal stockpile estimates. One coal train was parked in March. We should be able to keep it parked until the Fall.

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.

Budgets FYE 2018

Erin Miller presented the proposed budgets for FYE 2018. Discussion of the department budgets followed.

A motion was made by Tim Merideth to approve the proposed FYE 2018 Budgets. The motion was seconded by Brian Menz and the following roll call vote was held, Merideth, Keenan, Menz, "Yes". The budgets were approved.

Carthage Summer Contract

General Manager Rick Landers presented a Power Sales Agreement between BMU and Carthage Water and Electric Plant, Carthage, Missouri. The contract is for the term June 01, 2017 to September 30, 2017.

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

Industrial Park Wastewater Consultant

Rick Landers reported that Unilever has engaged Burns & McDonnell to review their wastewater operations as it relates to the BMU Industrial Park Wastewater Treatment Plant. Burns & McDonnell has also submitted a quote to BMU for a proposed study of our Industrial Park wastewater operations. Discussion followed regarding the cost of the study and the source of the funds for the study. Further discussion centered on the I.P. Lagoon's history, current performance and future demand.

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

General Manager's Report

CIP Audit - Landers reported on the CIP Standards Compliance Audit conducted at the Sikeston Power Station on April 25, 2017. He reported that the audit went well and a total of twelve BMU employees participated in the audit.

Test Well – New Location - Reviewed and commented on information in Jeff Winders report regarding the test wells being drilled for location of a proposed new water plant.

BN Contract - Landers reported on his recent meeting in Dallas, Texas with representatives of Burlington Northern Railroad. We are waiting on BN to get back with us regarding those discussions.

Unilever Update - Landers reviewed recent talks between BMU, Unilever and Sikeston Department of Economic Development.

Water System Maintenance - Landers will report to the Board on this topic at a later date when more information is available.

Current Topics - SEMO Electric has asked for a meeting to discuss the proposed Fiber Project they presented to BMU on May 05, 2017. Discussion followed regarding project specifics, business models, project funding and revenue. A meeting date of June 05, 2017 was agreed upon.

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 Brian Menz 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