

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

**HELD ON THE EIGHTH DAY OF AUGUST, 2017**

On the eighth day of August, 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:** Brian Menz, Tim Merideth, Bob Smith, Alan Keenan

**Absent:**

**Also Present:** Steve Burch, Mayor; Gerald Settles, City Council Member; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Don Miller, Doug Shaw, Ron Priday, Erin Miller, Shane Davis 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 Bob Smith. A roll call vote was held as follows, Smith, Menz, Merideth, Keenan "Yes" The Agenda was approved.

**Action on Monthly Agenda Items**

The Chairman asked for a motion to approve the minutes of the Regular Meeting of July 11, 2017. A motion was made by Alan Keenan and seconded by Tim Merideth. A roll call vote was held as follows. Menz, Smith, Keenan, Merideth "Yes". The minutes were approved as presented.

The Chairman asked for a motion to approve the minutes of the Workshop Meeting of August 02, 2017. A motion was made Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Keenan, Menz, Smith, Merideth "Yes". The minutes were approved as presented.

Operations Manager Jeff Winders introduced Summer Intern Ryan Norton. Norton is a Mechanical Engineering student at The University of Missouri – Columbia. He is assisting BMU engineering personnel on pole count and Autocad projects.

## **Financial**

Finance Manager Marcia Witt presented the Financial Report for June, 2017. Witt reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports.

The Electric Retail System had a net income of \$169,058. Electric Wholesale showed a net income of \$344,873. Water Department had a net loss of \$51,412. The Sewer Department had a net loss of \$14,378. The Sewer Lagoon had a net income of \$7,861. Witt also reviewed the Debt Service status and spot sales for the month.

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

## **Retail Operations**

Operations Manager Jeff Winders presented the retail operations report.

Winders gave an update on the progress of the Linn Street Lift Station.

Winders updated the Board on plans 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. Painting plans have been put on hold for now.

Winders reported on the water test drilling. Layne Arkansas is preparing to move to a new site for the next test drilling.

Winders reported on the current status of various permits.

He briefed the Board on a recent incident where a BMU water crew in digging for a water line hit a gas line. The incident was thoroughly reviewed by BMU management. A renewed focus on workplace safety has resulted from the incident, the investigation and review.

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

## **Sikeston Power Station**

Don Miller presented the report from the Sikeston Power Station for June, 2017. There was one planned derate for the month. The net capacity factor for the month was 94.06%.

Miller reported that work has begun on the last three cells of the cooling tower rebuilding project. MCS should have the work completed in approximately five weeks.

Miller reviewed the coal stockpile estimates and daily coal usage. The second train was started in the first week of August. We plan to run both trains to build up the stockpile to around 200,000 tons.

A motion was made by Bob Smith to approve the SPS Report. The motion was seconded

by Alan Keenan and the following roll call vote was held, Keenan, Merideth, Menz, Smith, "Yes". The Report for the Sikeston Power Station was approved.

### **Semi-Annual Charge Offs**

Business Manager Doug Shaw presented the list of accounts to be charged off. After a brief discussion, Alan Keenan moved to accept the list as presented. The motion was seconded by Bob Smith and the following roll call vote was held, Keenan, Merideth, Menz, Smith, "Yes". The Charge-Off list was approved.

### **WFA and WFSC Delegate Resolutions**

General Manager Rick Landers presented two resolutions for approval. Resolution 2017-03 appoints Rick Landers as the BMU representative to the Western Fuels Association Annual Meeting. Resolution 2017-04 appoints Rick Landers as the BMU representative to the Western Fuels Service Corporation Annual Meeting.

A motion was made by Bob Smith to approve the two Resolutions. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Menz, Smith, "Yes". The Resolutions were approved.

### **PWSD Contract Rate Change Request**

General Manager Rick Landers presented a request seeking Board approval to increase the water rate to all the Public Water Supply Districts served by BMU. The request increases the rate from \$2.80 per thousand gallons to \$2.96 per thousand gallons. The new rate is based on actual system costs for FYE 2017 per contract.

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

### **Land Purchase Option**

Rick Landers presented a Land Purchase Option agreement for 18 acres between Ables Road and County Line Road. The agreement allows BMU the option to purchase the property if test drilling provides access to the Wilcox Formation.

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

### **Drainage District Agreement**

Rick Landers presented for approval an Outlet Agreement with St. Johns Bayou Drainage District.

After discussion of the Agreement a motion was made by Tim Merideth to approve the agreement. The motion was seconded by Bob Scott and the following roll call vote was held, Keenan, Merideth, Menz, Smith, "Yes". The agreement was approved.

## **General Manager's Report**

Fitch Rating - Landers reported on the latest rating from Fitch. In the latest rating the BMU bonds were downgraded to BBB-. Landers and Marcia Witt reviewed the Fitch analysis.

Transmission Lease – Landers reviewed the Proposal being submitted to Project America by Ameren. He reviewed the possible involvement in the project by BMU, Associated Electric and Southwestern Power Administration.

M7M - Landers reported little movement in the M7M project.

Burlington Northern Renewal Status – The contract is being finalized. Landers will have a draft of the contract soon.

## **Board Workshop Review**

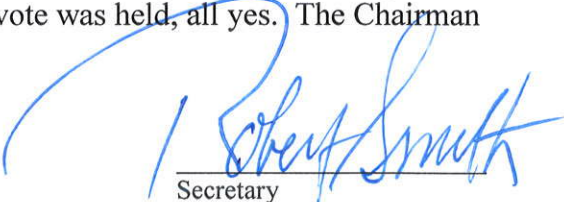
Chairman Menz reviewed items discussed at the August 02, 2017 Board Workshop.

## **Executive Session**

The Chairman cited a need to enter Executive Session. Tim Merideth made a motion to enter Executive Session. The motion was seconded by Alan Keenan and the following roll call vote was held, Merideth, Smith, 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. Bob Smith seconded. Roll call vote, all yes.

## **Adjournment**

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

  
Secretary