

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE NINTH DAY OF JULY, 2019

On the ninth day of July, 2019 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: Gerald Settles, City Council; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Friday, Erin Miller, Shane Davis of the Utility Staff

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

Action on Agenda

General Manager Rick Landers asked that an item, Engagement Letter, be added to the Agenda between Sewer Jetter Bids and General Manager's Report.

A motion was made by Alan Keenan to accept the revised agenda. The motion was seconded by Bob Smith. A roll call vote was held as follows, Merideth, Smith, Menz, 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 June 11, 2019. A motion was made by Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Keenan, Menz, Merideth, Smith "Yes". The minutes were approved as presented.

The Chairman asked for a motion to approve the minutes of the Special Meeting of June 27, 2019. A motion was made by Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Menz, Merideth, Keenan, Smith "Yes". The minutes were approved as

presented.

The Chairman asked for a motion to approve the minutes of the NERC Committee Meeting of June 27, 2019. A motion was made by Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Menz, Merideth, Keenan, Smith "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the preliminary year-end financials for May 2019. The electric retail department had net income of \$5,369,452. Electric Wholesale had net income of \$1,082,727. The Water Department had a net income of \$248,440. The Sewer Department had a net loss of \$144,356. The sewer lagoon had a net income of \$86,494. Witt reviewed other items in each department that contributed to the year-end financials. She reported the auditors have completed their on-site work.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Electrical crews have been performing routine repairs. Winders reported on two electric outages on June 15, 2019 and one outage on June 21, 2019. All three outages were related to high winds and storms.

The substation crew has been working on the SCADA project, maintenance and breaker replacement.

Winders reported maximum water usage for the month at 4.45 MGD. He also updated the Board on the status of various DNR issues and permits. Water and sewer crews are doing maintenance on leaks and fire hydrants. The North Wastewater Plant pipe replacement project is ongoing. The Center Street tank painting project is ahead of schedule. The painting crew will move to the Industrial Park tank very soon.

Waters Engineering is working on the design and scope of work for the new water plant.

Winders reported on current project status.

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, Merideth, Menz, Smith, Keenan "Yes". The Retail Operations Department Report was approved.

Sikeston Power Station

Mark McGill presented the report from the Sikeston Power Station for May, 2019.

McGill reported one planned outage and one unplanned derate in May. The unit was down until May 4, 2019 for the annual maintenance outage. The net capacity factor for the month was 73.00%.

McGill reported that flooding along the Missouri River continues to impact our coal deliveries from the mine in Wyoming. He reviewed the coal stockpile estimates and daily coal usage. McGill reported we are still on the coal conservation plan. The normal coal delivery cycle is eight to nine days. We currently are seeing a fifteen to eighteen-day delivery cycle.

McGill reported the status of current projects.

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

Semi-Annual Charge Offs

Business Manager Doug Shaw and Customer Service Supervisor Shane Davis presented the Charge Off list for Board approval. This is a list of accounts that were closed between January and June, 2018. BMU attempted collection for six months and Credit Bureau Services attempted collection for six months. The accounts are now being charged off. Shaw and Davis reviewed the list and answered Board questions.

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

Easements

BMU is seeking a utility easement along Highway 60 and Highway 61 South on land owned by Scott Matthews and Phil Boyer. Both landowners have agreed to grant the easement in exchange for BMU providing electric service to select properties. Staff is seeking Board approval to engage in these exchanges of service for easements.

A motion was made by Alan Keenan to grant Staff permission to negotiate the exchange. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan "Yes". The motion was approved.

Backyard Machine

Jeff Winders reviewed the need for a new backyard machine. Our current machine is a 1989 model. It has become very unreliable and also unrepairable. The search for a used

backyard machine that was available and within our budget has been unsuccessful. The determination was made that our best course of action is to go slightly over budget and purchase a new backyard machine. We have the opportunity to purchase an Altec D41B machine that fits our needs at an Altec dealer in Missouri for \$192,378. This was the best of the two quotes received.

A motion was made by Tim Merideth to approve the purchase of the Altec D41B. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The motion was approved.

Sewer Jetter Bid

Jeff Winders reviewed our need for a new sewer jetter machine. Our current machine is beyond reasonable repair. Two bids were received for this budgeted purchase. The bids were \$73,275 from Woody’s Municipal Supply and \$64,098 from COE Equipment, Inc. Staff is seeking approval to purchase the machine from COE Equipment.

A motion was made by Alan Keenan to accept the bid of COE Equipment. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The motion was approved.

Engagement Letter

Rick Landers reviewed the engagement letter received from Liz Williamson of the Williams Mullen Law Firm. The letter outlines the scope of Ms. Williamson’s services regarding environmental/EPA issues.

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

General Manager’s Report

Markets – Landers gave an update on the price of natural gas and how it may impact spot sales.

Coal Deliveries – Landers noted that Mark McGill’s report covered this topic. He commented that mid-month improvement is expected on coal deliveries.

Infrastructure Improvements – Updates on current projects and anticipated spending on future projects.

AMI – Kickoff meeting is scheduled for July 23, 2019.

Landers reported on his recent meeting with the new Sikeston R-6 School Superintendent. They discussed possible BMU involvement in the STEM program

BMU has been asked to evaluate the lighting on W. Murray Lane. We are awaiting a traffic count to complete our study.

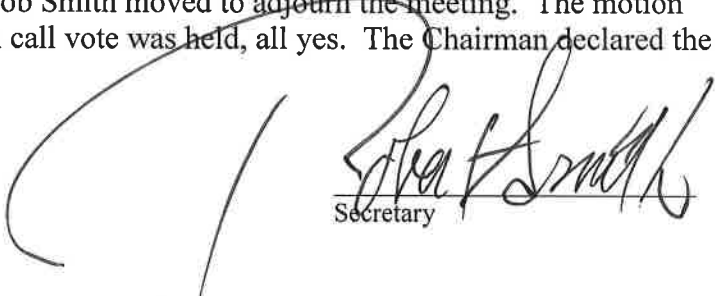
Landers gave a spot sales update.

Landers discussed the new fact sheet used by the Department of Economic Development.

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

Adjournment

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



Secretary