

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

HELD ON THE TWELFTH DAY OF SEPTEMBER, 2017

On the twelfth day of September, 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

Absent: Alan Keenan

Also Present: Gerald Settles, City Council Member; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Don Miller, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff; Kristen Bright, BKD, CPAs and Advisors

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

BKD Audit

Kristen Bright of BKD presented a summary of the Independent Auditor's Report and Financial Statements for Fiscal Year Ending May 31, 2017. Her report included a review of the audit procedures and methods. She reviewed key items in the Audit Scope and Results letter to BMU. Bright then presented a thorough review of the Audit Report. Her review noted that BKD has presented an unmodified or clean opinion in the BMU Audit. Ms. Bright addressed numerous questions from Board members. Chairman Menz thanked Ms. Bright and her team for their work on the Audit.

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 "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 August 8, 2017. A motion was made by Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Menz, Smith, Merideth "Yes". The minutes were approved as

presented. The Chairman asked for a motion to approve the minutes of the Special Meeting of August 16, 2017. A motion was made by Tim Merideth and seconded by Bob Smith. A roll call vote was held as follows. Menz, Smith, Merideth "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for July, 2017. Witt reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports. Witt reported that July spot electric sales were good.

The Electric Retail System had a net income of \$502,521. Electric Wholesale showed a net income of \$965,488. Water Department had a net income of \$68,551. The Sewer Department had a net income of \$10,232. The Sewer Lagoon had a net income of \$15,580.

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, 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 completion of the Linn Street Lift Station, water usage for the month and the draft industrial discharge permit for Cott Beverages.

Winders reported we have engaged the law firm of Stinson Leonard Street, LLP along with the Blanton Law Firm to assist Waters Engineering and Geosyntec in our response to the Missouri DNR discharge permit.

Winders reported on the water test drilling. Layne Arkansas completed drilling at the Illinois Avenue site. Results were not as good as we had hoped they would be. Alternate test drilling sites are currently being considered.

Winders reported on the current status of the pole inspection project.

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

Sikeston Power Station

Don Miller presented the report from the Sikeston Power Station for July, 2017. There was one unplanned derate for the month.

Miller reported that work has begun on the last cell of the cooling tower rebuilding project.

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 180,000 tons.

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

Fitch Rating

Rick Landers presented the annual Fitch rating of the BMU Bonds. Marcia Witt assisted in the presentation, commenting on specifics of the rating process and methods used by Fitch.

Budget Billing

General Manager Rick Landers reviewed our current Budget Billing Policy. Our system is capable of two types of Budget Billing, a fixed monthly plan and a rolling or leveled plan where the amount due is refigured and adjusted each month. After discussing, the Board asked the staff to present information on both the Fixed and Levelized plans for approval at the October meeting.

General Manager's Report

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

Steel Mill – Ameren is still working on the proposal.

Chairman's Notes

Chairman Menz offered thoughts and comments on topics from previous meetings. There is another meeting with SEMO Electric at the end of September to continue our discussion. He asked the status on upgrades to service to the Unilever north plant. There was a brief discussion of the need for future rate increases for all three services.

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 Bob Smith and the following roll call vote was held, Merideth, Smith, Menz "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 Bob Smith and a roll call vote was held, all yes. The Chairman declared the meeting adjourned.


Secretary