

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE ELEVENTH DAY OF FEBRUARY, 2020

On the eleventh day of February, 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, John Gilmore, Alan Keenan

Absent:

Also Present: Steven Burch, Mayor; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Friday, Erin Miller, Lora Foust of the Utility Staff

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

Action on Agenda

No action on the Agenda.

A motion to approve the agenda was made by Jon Gilmore and was seconded by Tim Merideth. The following roll call vote was held. Gilmore, Merideth, Menz, Keenan "Yes". The Agenda was approved as presented.

Action on Monthly Agenda Items

The Chairman asked for a motion to approve the minutes of the Regular Meeting of January 14, 2020. A motion was made by Tim Merideth and seconded by Alan Keenan. A roll call vote was held as follows. Keenan, Menz, Merideth, Gilmore "Yes". The minutes were approved as presented.

The Chairman asked for a motion to approve the minutes of the Special Meeting of February 4, 2020. A motion was made by Tim Merideth and seconded by Alan Keenan. A roll call vote was held as follows. Keenan, Menz, Merideth, Gilmore "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the financials for December 2019. The electric retail department had net income of \$333,371. Electric Wholesale had net income of \$325,809. The Water Department had a net loss of \$11,355. The Sewer Department had a net income of \$6,948. The sewer lagoon had a net loss of \$4,398. Witt reviewed significant expenses for each department.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

The new transformer at the Northeast Substation has been installed and is online. Electrical crews worked on normal maintenance and responses. Substation crews are working on maintenance. Larry Tucker, Electric Department Foreman, is retiring after 34 years with BMU.

Winders reported maximum water usage for the month at 3.216 MGD. Bids were received February 10, 2020 for the Water Plant 4 pipeline project.

An electrical failure occurred on February 3, 2020 at the South Wastewater Treatment Plant. A portion of the plant was shut down as a result. Temporary repairs were made to restart the plant. Crews are still working on permanent repairs.

Water and sewer crews are fixing leaks, replacing fire hydrants and doing system maintenance. The project to extend the sewer on School Street has begun.

Winders also updated the Board on the status of various DNR issues and permits.

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

Update on GIS, AMI and NE Substation rebuild projects.

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

Sikeston Power Station

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

McGill reported one outage to repair a tube leak. A breaker problem during startup forced the unit offline and repairs were made. The net capacity factor for the month was 82%.

McGill reported both trains are currently running. One train will be shut down after two more deliveries. He reviewed the coal stockpile estimates and daily coal usage. We currently have 156,000 tons on the ground which is a 47-day supply.

McGill reported the status of current projects, tests and outage preparations. He reported the recent retirement of Electric Supervisor Mike Dewitt. Dewitt has been with BMU for 40 years.

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

Water Preliminary Costs Phase 1 Financing Lease

Finance Manager Marcia Witt presented bids for a lease purchase agreement for \$3,000,000 as interim financing for the Water Treatment Plant #4 piping project. Bids were received from five banks. The bids were reviewed by our financial consultant Piper Jaffray. BMU Staff recommends awarding the bid to First State Community Bank.

A motion was made by Alan Keenan to award the bid to First State Community Bank. The motion was seconded by Jon Gilmore and the following roll call vote was held, Menz, Keenan, Merideth, Gilmore "Yes". The motion was approved.

Resolution No. 2020-01

Finance Manager Marcia Witt presented Resolution No. 2020-01 for approval. The Resolution authorizes General Manager Rick Landers to execute any documents related to the lease purchase agreement for the Water Treatment Plant #4 Phase 1 Piping Project.

A motion was made by Alan Keenan to approve Resolution No. 2020-01. The motion was seconded by Jon Gilmore and the following roll call vote was held, Menz, Keenan, Merideth, Gilmore "Yes". The motion was approved.

Phase 1 Water Plant 4 Water and Sewer Lift Station and Pipeline

Jeff Winders presented bids to build a sewer lift station and pipeline for the Water Plant 4 project. Eight contractors took plans on the project and five contractors submitted bids. The low bid was submitted by Josh Tinnin Construction of Hornersville, MO. Winders asked for Board approval to award the contract to Josh Tinnin Construction.

Alan Keenan moved to award the project to Josh Tinnin Construction. The motion was seconded by Jon Gilmore and the following roll call vote was held, Menz, Keenan, Merideth, Gilmore "Yes". The motion was approved.

2021-22 Coal Rate

General Manager Rick Landers reviewed current and previous years coal rate. Landers discussed the current merger talks between Arch Coal and Peabody Coal. He is seeking Board approval to pursue an agreement to lock in a price for 2021 and 2022.

A motion was made by Jon Gilmore to authorize the General Manager to negotiate a 2021-22 coal price agreement. The motion was seconded by Alan Keenan and the following roll call vote was held, Menz, Keenan, Merideth, Gilmore "Yes". The motion was approved.

General Manager's Report

Current Topics

EV Charging Station - The State of Missouri will issue an RFP soon for bidders interested in establishing an Electric Vehicle Charging Station. Landers has been in contact with owners of possible sites for the station.

Fitch – Sikeston's bonds were upgraded from BBB to BBB+.

City Council – Approved the new Rental Light Rates.

Fiber Optic – Make Ready RFP has been sent out.

AMI – Progress update. Representatives from Eaton are here this week. Meters are being installed. Eaton will train BMU staff this week.

CCR Rule – New language on impoundment. SPS staff is reviewing and working with a consultant.

Spot Sales – Update on current market.

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

Executive Session

Chairman asked for a motion to enter Executive Session. Alan Keenan made a motion to enter executive session. The motion was seconded by Jon Gilmore and the following roll call vote was held. Keenan, Merideth, Gilmore, Menz "yes". The Board entered Executive Session.

Adjournment

There being no further business Jon Gilmore 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