

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

HELD ON THE EIGHTH DAY OF SEPTEMBER 2020

On the eighth day of September 2020 the Board of Municipal Utilities met in Regular Session at 4:00 P.M. in the board room. The following members of the body were present:

Messrs: Brian Menz, Jon Gilmore, Alan Keenan

Absent: Tim Merideth

Also Present: Shawn Hanschen, Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Ron Friday, Erin Miller, Lora Foust, of the Utility Staff; and Kristen Bright, BKD

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

BKD Audit

Kristen Bright, Partner of BKD CPA's and Advisors presented the report for FYE May 31, 2020. Ms. Bright reviewed the Opinion Letter which rendered a "clean opinion". She reviewed the financial statements associated with the audit and answered questions from the Board.

A motion was made by Jon Gilmore to accept the Auditor's Report. The motion was seconded by Alan Keenan. A roll call vote was held as follows: Menz, Keenan, Gilmore "Yes" The Auditor's Report was approved.

Action on Agenda

There were no changes to the Agenda

A motion was made by Jon Gilmore to accept the agenda. The motion was seconded by Alan Keenan. A roll call vote was held as follows Gilmore, Keenan, Menz, "Yes" The Agenda was approved.

Action on Monthly Agenda Items

The Chairman asked for a motion to approve the minutes of the August 11th, 2020 Board Meeting. A motion was made by Jon Gilmore and seconded by Alan Keenan. A roll call vote was held as follows. Keenan, Gilmore and Menz "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt reviewed the financial reports for July 2020. The electric retail department had a net income of \$456,017. She reported that revenues were up from last year with the implementation of the rate increase. Electric wholesale had a July net loss of \$142,855. Contract revenues were down slightly but offset with higher spot market sales.

Ms. Witt also reported that Water Department showed a net income of \$18,909. Revenues were up due to the rate increase in January and an increase in usage from this month last year. Major expenses for the month included audit fees.

Sewer Department had a net income of \$15,105 for the month of July.

The Sewer Lagoon showed a net income of \$13,170.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Winders reported that the line crews had been working on converting the single phase to three phase for Lincoln University along North Street as well as the light projects for Lincoln Park basketball courts and the Complex basketball courts.

Winders also reported that he is still working on the long-range plan for the electric utility and will have a rough outline of this plan to show the Board in the future.

Winders reported maximum water usage for the month at 4.353 MGD.

Winders updated the Board on the Major Project Status which included updating us on the Water Plant Phase 1. The GIS is completed, and we are now working on the integration part of that system. Winders also reported that the 161 kV Breaker would be installed in the next few months and that he was currently working on a plan for the NE Substation rebuild. He reported that the Fiber bid process has begun.

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

Sikeston Power Station

Mark McGill presented the report from the Sikeston Power Station for July 2020.

McGill reported that there were two derates and three forced outages for the month of July. The Net capacity factor was 72% for the month. He reviewed the coal stockpile estimates and daily coal usage. We currently have 103,000 tons on the ground which is a 31-day supply with a burn rate of 3,300 tons per day. McGill also reported that we only have one train in service but expect to have a second train running by mid-September.

McGill reported that the SWPA substation berm work is ongoing and is estimated to be 80% complete.

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, Gilmore, Keenan, Menz "Yes". The Report for the Sikeston Power Station was approved.

Water Treatment Plant Financing

Marcia Witt, Finance Manager presented Resolution 2020-02 to the Board to authorize staff to proceed with the financing of the Water Treatment Plant #4 and a lease agreement for other water projects currently financed with temporary financing agreements. This resolution would also authorize staff to use Gilmore and Bell as our attorneys and Piper Sandler & Co. as our financial consultant to advise during this financing process.

This resolution would further authorize management to enter into an agreement to engage a trustee bank to administer the Certificates of Participation. It would also authorize management to enter into a lease agreement with the City of Sikeston for the use of the land at the Water Treatment Plant #4 site for the term of the financing.

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

Shop Truck #53 Bid

Mark McGill, Power Station Manager presented to the board a proposal to purchase a replacement truck for Truck #53 which is the plant electrical supervisor's truck. The plan is to move the existing truck to the shop. McGill had requested bids from three dealerships and the board agreed on the purchase of the truck from Morlan Dodge, Sikeston for \$27,905.99.

A motion was made by Alan Keenan to approve the purchase of the replacement truck #53 bid. The motion was seconded by Jon Gilmore and the following roll call vote was held, Gilmore, Keenan, Menz "Yes". The bid was approved.

Make Ready Construction Material Bid

Jeff Winders, Operations Manager presented to the board bids for the materials needed for the Make Ready Construction Project. After reviewing the bids, Winders recommended awarding the bid to Fletcher-Reinhardt and asked the board for approval.

A motion was made by Alan Keenan to approve the materials bid for the Make Ready Construction from Fletcher-Reinhardt. The motion was seconded by Jon Gilmore and the following roll call vote was held, Gilmore, Keenan, Menz “Yes”. The Make Ready Construction bid was approved.

Proposed Sewer Charge Ordinance

Jeff Winders, Operations Manager reviewed the Excessive Sewer Surcharge Ordinance language approved by the board at the July 14, 2020 meeting. Winders presented the final draft of the surcharge that will now be sent to the City Council for approval.

Lincoln University Street Lighting

Jeff Winders, Operations Manager presented to the board a request from the City of Sikeston and Lincoln University to add additional streetlights on Felker Street. The additional lighting would be for increased security for the campus. Winders presented several options and made a recommendation.

A motion was made by Alan Keenan to approve the additional lighting. The motion was seconded by Jon Gilmore and the following roll call vote was held, Gilmore, Keenan, Menz “Yes”. The request was approved.

Council Annual Report

Rick Landers, General Manager presented the BMU Annual Report on the financial position of the utility. Landers asked for approval to send the report to City Council.

A motion was made by Jon Gilmore to approve. The motion was seconded by Alan Keenan and the following roll call vote was held, Gilmore, Keenan, Menz “Yes”. The report was approved.

General Manger Report

Current Topics

AMI – The AMI installation project is progressing well and approaching 72 percent completion and anticipate final completion in the next few months.

Spot Sales – The market is down. Spot Sales were \$23.64/Mwh for the month with a \$23.53/Mwh average for the year.

Fiber Status – Make ready construction bids are due September 11 and tree trimming bids

are in process.

Electric Charging Station – AT&T pulled out of allowing us to place the station on their property in Sikeston, next to Walmart, however Landers reported that he had been in contact with the Hampton Inn and they were on board with placing it in their parking lot.

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

Executive Session

Chairman asked if there was a need to enter Executive Session. The Board members then entered an Executive Session.

Adjournment

There being no further business Jon Gilmore 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