

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE EIGHTH DAY OF MAY, 2018

On the eighth day of May, 2018 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: J.D. Douglass, City Manager; Steven Burch, Mayor; Gerald Settles, City Council; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Don Miller, Doug Shaw, Ron Priday, Erin Miller 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, Merideth, Keenan, Menz, Smith “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 April 10, 2018. A motion was made by Alan Keenan and seconded by Tim Merideth. A roll call vote was held as follows. Menz, Keenan, Smith, Merideth “Yes”. The minutes were approved as presented.

A motion was made to approve the minutes of the Special Meeting of April 30, 2018. A motion was made by Alan Keenan and seconded by Tim Merideth. A roll call vote was held as follows. Menz, Keenan, Smith, Merideth “Yes”. The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for March, 2018. Witt reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports. The Electric Retail System had a net income of \$186,921. Total kWh sales were up 36.3% over last

year. Electric Wholesale showed a net income of \$347,945. Water Department had a net loss of \$32,092. The Sewer Department had a net loss of \$47,971. The Sewer Lagoon had a net income of \$12,009 for a department net loss of \$35,962.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Winders reported on a severe storm on April 13. The storm hit the Hunter Acres Feeder hard. Crews were out in the storm making repairs.

Winders reported max water usage for the month. Waters Engineering and Geosyntec are moving forward with the plan to submit our stream study to DNR.

Winders reported on the water test drilling. We had a successful test drilling on the south end of the new south industrial park property. The drilling found over 100 feet of the Wilcox Formation. We are now negotiating to drill on the property south and east of the previous drill site.

Winders reported on the current status of the pole inspection project and the GIS mapping project.

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

Sikeston Power Station

Don Miller presented the report from the Sikeston Power Station for March, 2018. We are in the fourth week of the spring outage. He reported on a few obstacles in this outage. He commented on the quality of work by contractors during this outage.

He reported that the plant went online May 03, 2018.

Miller reviewed the coal stockpile estimates and daily coal usage. One train is running at this time.

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

N Highway 61 Options

Jeff Winders reviewed cost estimates to provide utility services to an area along Highway 61 north. Part of the area is to be developed in the near future. Additional parts of the area will likely be developed. Winders described five possible cost estimates based on the number of

developers involved and also with the possibility of future expansion along Highway 61. Discussion centered on developers involved, timing of the proposed development, when final approval from City will come and which cost estimate best fits all developers involved.

A motion was made by Alan Keenan to approve Cost Estimate Option #3, contingent on developer commitment. The motion was seconded by Bob Smith and the following roll call vote was held, Keenan, Menz, Smith, Merideth "Yes". Option #3 was approved.

Truck 14 & 16 Bids

Jeff Winders reviewed the bids received to replace trucks 14 and 16. Truck 14 is a line truck and 16 is a smaller bucket truck. This bid is for the truck bed only. The truck chassis will be bid out in the coming months. Winders reported Sikeston DPS is interested in buying the current truck 16 when it is retired. Winders discussed the two truck beds needed and the bids received. He recommended accepting the bid of Altec for both truck beds.

A motion was made by Alan Keenan to approve the Altec bids. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Menz, Smith "Yes". The bids of Altec were approved.

Dozer Recommendation

Rick Landers reviewed the options available to us to replace the Caterpillar D-8 Dozer at the Sikeston Power Station. Bids were received for a new Komatsu Dozer, new Caterpillar D-8 Dozer and a bid to rebuild our current Caterpillar D-8. After discussion of the bids the staff recommended the bid of Fabick Tractor Co. to rebuild the D-8 we currently own.

A motion was made by Tim Merideth to approve the Fabick rebuild bid. The motion was seconded by Alan Keenan and the following roll call vote was held, Merideth, Keenan, Menz, Smith "Yes". The bid of Fabick was approved.

Electric Rate Study Recommendation

Finance Manager Marcia Witt presented a summary of the next phase of the Electric Rate Study conducted by Utility Financial Solutions. The proposal presented to the Board outlines revenue projections over three years for all the electric rate classes. The summary proposes an 8% electric rate increase in each of the next three years.

A motion was made by Alan Keenan to recommend the proposed electric rate increases to the City Council. The motion was seconded by Bob Smith and the following roll call vote was held, Merideth, Keenan, Menz, Smith "Yes". The electric rate proposal was approved.

General Manager's Report

Rick Landers reported on a recent meeting with the Historic Downtown Sikeston group regarding a proposed fountain/splash pad in Legion Park. He discussed the water and sewer needs of the project. A sewer line will have to be built to connect the fountain to the nearest sewer main. Cost and additional benefits of the new sewer line were discussed.

A motion was made by Alan Keenan to support the fountain/splash pad project. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth,

Keenan, Menz, Smith “Yes”. The proposal to support the fountain/splash pad project was approved.

Landers reported that BMU has been asked to participate in a project to establish WiFi service in selected areas of Sikeston. The initial areas to be served are the Jaycee Bootheel Rodeo Grounds and Legion Park. Additional sites including baseball fields, soccer fields and walking track at the Recreation Complex will be added later. Vast Broadband is handling the engineering and installation of the WiFi network. Staff and Board discussed the benefits and costs of the project.

A motion was made by Alan Keenan to approve the WiFi project. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Keenan, Menz, Smith “Yes”. BMU participation in the WiFi project was approved.

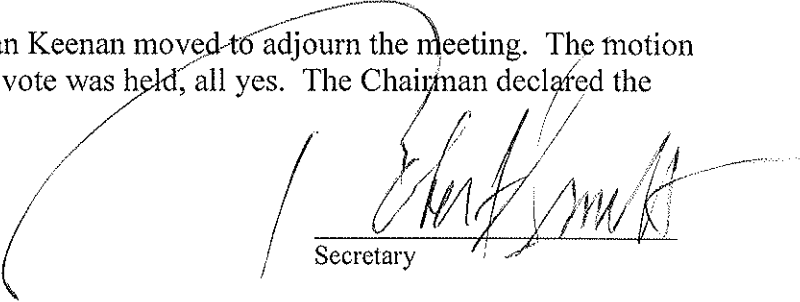
Landers reported on the May 1, 2018 meeting in Jefferson City with DNR regarding the wastewater permit. Our fiber audit will begin May 21, 2018. Broadband discussions are ongoing. Landers also updated the Board on renewable energy and our spot sales.

Executive Session

The Chairman cited a need to enter Executive Session. Alan Keenan made a motion to enter Executive Session. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Smith, Keenan, Menz “Yes”. The Board entered Executive Session. In Executive Session the Board voted to enter a license agreement on the Lape property to investigate its suitability for a well site. Bob Smith made a motion to adjourn Executive Session. Alan Keenan seconded. Roll call vote, all yes.

Adjournment

There being no further business Alan Keenan 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