

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

HELD ON THE FOURTEENTH DAY OF MAY, 2019

On the fourteenth day of May, 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

Absent: Alan Keenan

Also Present: J.D. Douglass, City Manager; Gerald Settles, City Council; Mike Marshall, Director of Economic Development; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff

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

Action on Agenda

Rick Landers asked the Board's approval to move Item 4, Retail Budgets, to the spot right after the Financial Report.

A motion was made by Bob Smith to accept the revised agenda. The motion was seconded by Tim Merideth. A roll call vote was held as follows, Merideth, Smith, Menz, "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 09, 2019. A motion was made by Bob Smith and seconded by Tim Merideth. A roll call vote was held as follows. 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 May 07, 2019. A motion was made by Bob Smith and seconded by Tim Merideth. A roll call vote was held as follows. Menz, Merideth, Smith "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for March 2019. The electric retail department had net income of \$551,825. Electric Wholesale had net income of \$193,584. The Water Department had a net loss of \$13,485. The Sewer Department had a net loss of \$33,094. The sewer lagoon had a net income of \$1,866. Witt reviewed several items in the electric system pro forma for March.

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

Retail Budgets

Marcia Witt presented the proposed Retail Budgets for fiscal year June 01, 2019 – May 31, 2020. These are the budgets for the Electric Retail, Water, Sewer and Lagoon Departments. Witt noted that the Water Department budget included preliminary financing expense for the upcoming water plant project. Witt also reported that the retail budget includes funding for the initial phase of the AMI project and fiber-optic work associated with that project. She also reviewed the main components of the budgets.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Electrical crews have been working on street light maintenance and pole replacements. Winders reported on progress on the SCADA project. The week of May 6 was National Drinking Water Week. Water department crews conducted public tours of the water production plants during the week.

Winders reported maximum water usage for the month at 4.169 MGD. He also updated the Board on the status of various DNR issues and permits. The painting schedule for the Center Street and Industrial Park water tanks has been moved up. Starting date is still to be set. Winders updated the Board on the Northeast Substation rebuild.

Winders reported current project status.

May retirements from Retail Operations are David Guthrie and David Hampton.

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

Sikeston Power Station

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

McGill reported one unplanned outage for a tube leak and a planned derate to begin mill inspections prior to outage. The net capacity factor for the month was 89.00%. McGill reported on the Spring outage that began on April 12. He also updated the Board on the SWPA flood control berm project.

McGill reviewed the coal stockpile estimates and daily coal usage. He also noted the May retirements of Geri Riley and Charles “Chuck” McCann.

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

2020 Coal Rate

General Manager Rick Landers presented the proposed 2020 coal price from Arch Coal Company for delivery of coal from the Black Thunder Mine. Landers discussed current trends in coal prices. In light of the trends discussed he asked the Board for approval to accept the proposed price of \$12.40/Ton for 2020.

A motion was made by Tim Merideth to accept the pricing agreement. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, “Yes”. The motion was approved.

Historic North End Lights

Jeff Winders presented proposed street lighting improvements for the Historic North End District. This is the area of the city bounded by Malone Avenue, Kingshighway, Salcedo Road and N. Main. Residents and BMU staff felt that lighting improvements were needed due to the heavy tree canopy in the area. Much of the street lighting in the area is at such a height that the tree canopy blocks much of the light. BMU has recommended replacing current lighting with a shorter pole and an LED light. Winders also discussed possible ways to fund the project.

The presentation was for informational purposes only. No vote was taken.

Interstate 57 Update

Rick Landers and Jeff Winders presented an update on the proposed extension of Interstate 57 west from its current ending at Interstate 55. They specifically addressed the proposed interchange at S. Ingram St. They showed aerial photos with the proposed interchange drawn in. They discussed a BMU electric line that will require relocation. They also discussed project funding and possible start date.

No vote was necessary. Presentation was for information only.

General Manager's Report

AMI project – Eaton agreement has been received and reviewed by staff. BMU has asked Eaton for some changes. The Board approved executing the contract pending Joe Blanton's approval.

CCR Rule – Watching developments.

Associated Electric & SWPA – Agreement update.

Public WiFi update – Project is complete. Meeting with Vast and Chamber of Commerce to discuss the way forward.

Train derailment in Iowa – Cars were lost. Landers reviewed the situation.

Farm lease on Lape property.

Unilever approved new fan project and staff is working on getting proposals for financing.

Current environmental issues.

Should a BMU staff member attend Planning and Zoning meetings to represent BMU.

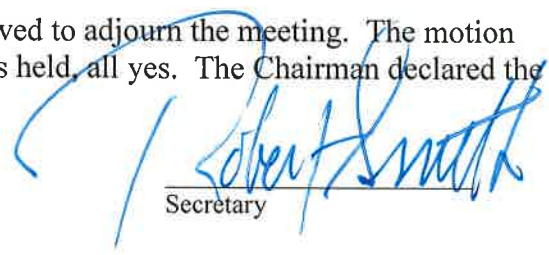
Spot sales update.

Executive Session

Chairman Menz cited the need to enter Executive Session. Bob Smith made a motion to enter Executive Session. The motion was seconded by Tim Merideth and the following roll call vote was held, Merideth, Smith, Menz "yes". The Board entered Executive Session.

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