

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

**HELD ON THE ELEVENTH DAY OF JUNE, 2019**

On the eleventh day of June, 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, Alan Keenan

**Absent:**

**Also Present:** Steven Burch, Mayor; Gerald Settles, City Council; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff; Shannon Creighton, Gilmore & Bell

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

**Action on Agenda**

A motion was made by Bob Smith to accept the agenda. The motion was seconded by Tim Merideth. A roll call vote was held as follows, Merideth, Smith, Menz, Keenan "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 May 14, 2019. A motion was made by Alan Keenan and seconded by Bob Smith. A roll call vote was held as follows. Keenan, 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 29, 2019. A motion was made by Alan Keenan and seconded by Bob Smith. A roll call vote was held as follows. Menz, Merideth, Keenan, Smith "Yes". The minutes were approved as presented.

The Chairman asked for a motion to approve the minutes of the NERC Committee Meeting of June 03, 2019. A motion was made by Alan Keenan and seconded by Bob Smith. A roll call vote was held as follows. Menz, Merideth, Keenan, Smith "Yes". The minutes were approved as presented.

### **Financial**

Finance Manager Marcia Witt presented the Financial Report for April 2019. The electric retail department had net income of \$303,986. Electric Wholesale had net loss of \$860,355. The Water Department had a net income of \$14,079. The Sewer Department had a net loss of \$41,639. The sewer lagoon had a net income of \$5,353. Witt reviewed several items in the electric system pro forma for March. She reported the auditors will return in late June to complete their on-site work.

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

### **Retail Operations**

Operations Manager Jeff Winders presented the retail operations report.

Electrical crews have been performing routine repairs and repairing damage from recent storms. Winders reported on an electric outage on June 10, 2019. The fault is still being investigated.

Winders reported maximum water usage for the month at 4.047 MGD. He also updated the Board on the status of various DNR issues and permits. Water and sewer crews are doing maintenance on leaks and fire hydrants.

BMU staff and Waters Engineering met recently for the predesign meeting on the water plant project. Chairman Menz asked Winders about the timeline of the project. Winders explained the tentative timeline.

Winders reported current project status.

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, Keenan "Yes". The Retail Operations Department Report was approved.

### **Sikeston Power Station**

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

McGill reported one planned derate and one planned outage in April. The unit was down much of April for the annual maintenance outage. The net capacity factor for the month was

32.00%.

McGill reported that flooding along the Missouri River has impacted our coal deliveries from the mine in Wyoming. He reviewed the coal stockpile estimates and daily coal usage. McGill outlined a contingency plan if the flooding continues to impact the coal delivery schedule and our stockpile reaches a predetermined danger point. McGill answered several questions from the Board regarding the rail and flooding situation nationwide.

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

### **Bank Depository Bids**

In compliance with state statutes we are required to take bids for banking services every five years. Marcia Witt presented the five bids received. Bids were received from First Midwest Bank, First State Bank and Trust, First State Community Bank, Montgomery Bank and US Bank. Financial advisor Piper-Jaffrey assisted BMU staff in evaluating the bids. Staff and Piper-Jaffrey agreed that the best bid was submitted by Montgomery Bank. Witt recommended awarding the banking services to Montgomery Bank.

A motion was made by Bob Smith to accept the bid of Montgomery Bank. The motion was seconded by Alan Keenan and the following roll call vote was held, Smith, Merideth, Menz, Keenan "Yes". The motion was approved.

### **Audit Engagement Letter**

Marcia Witt reviewed the annual audit engagement letter received from BKD CPAs and Advisors. The letter outlines the scope and specifics of the annual audit.

This item was for informational purposes only. No vote was taken.

### **Water Lease Financing Bids – Resolution No. 2019-02**

Marcia Witt reviewed the bids for a lease-purchase agreement for \$4,800,000 as interim financing for Water Treatment Plant #4, water tank painting, AMI and other cost reimbursements.

Bids were received from First Midwest Bank, First State Community Bank, First State Bank and Trust and Montgomery Bank. Bids were reviewed by BMU Staff and financial advisor Piper-Jaffrey. Staff and Piper-Jaffrey agreed that the best bid was submitted by First State Community Bank. Witt recommended awarding the lease-purchase agreement to First State Community Bank.

A motion was made by Alan Keenan to accept the bid of First State Community Bank. The motion was seconded by Tim Merideth and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The motion was approved.

Resolution No. 2019-02 was presented for Board approval. The Resolution authorizes the Board of Municipal Utilities to enter into the Lease-Purchase Agreement with First State Community Bank.

A motion was made by Alan Keenan to approve Resolution No. 2019-02. The motion was seconded by Tim Merideth and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The Resolution was approved.

### **Lagoon Lease Financing Bids – Resolution No. 2019-03**

Marcia Witt presented the bids for a lease-purchase agreement for \$2,550,000 for improvements to the North Wastewater Treatment Plant. Bids were received from seven banks, Alliance Bank, First Midwest Bank, First State Community Bank, First State Bank and Trust, Focus Bank, Montgomery Bank and US Bank. Bids were reviewed by BMU Staff and financial advisor Piper-Jaffrey. Staff and Piper-Jaffrey agreed that the best bid was submitted by US Bank. Witt recommended awarding the lease-purchase agreement to US Bank.

A motion was made by Tim Merideth to accept the bid of US Bank. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan, Smith “Yes”. The motion was approved.

Next, Witt presented an updated Budget Cash Flow Statement for the Sewer Lagoon. She asked for the Board’s approval on the updated statement.

A motion was made by Alan Keenan to approve the updated Budget Cash Flow Statement. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The updated Budget Cash Flow Statement was approved.

Resolution No. 2019-03 was presented for Board approval. The Resolution authorizes the Board of Municipal Utilities to enter into the Lease-Purchase Agreement with US Bank.

A motion was made by Bob Smith to approve Resolution No. 2019-03. The motion was seconded by Alan Keenan and the following roll call vote was held, Smith, Merideth, Menz, Keenan “Yes”. The Resolution was approved.

### **General Manager’s Report**

Tank painting design – BMU staff presented, for approval, various versions of the Sikeston logo to be painted on the Center Street water tank. One version included the line “We Are” above the Sikeston logo. Mayor Burch spoke on the conversation in the recent City Council meeting regarding adding the “We Are” line above the logo. He reported the general

thought among Council members was to not add the “We Are” line and leave the logo as it is now. Board members agreed with Council’s opinion and instructed BMU Staff to continue with the current logo when the tank is repainted.

AMI project – Eaton agreement has been received and reviewed by staff. BMU has asked Eaton for some changes. Waiting for Eaton’s response.

CCR Rule – Watching developments.

Coal delivery update.

Ameren – Project America update.

Landers reported he has a meeting scheduled with the new Sikeston R-6 Schools Superintendent. An item to be discussed is the possibility of BMU sponsoring STEM activities in conjunction with the schools. Landers asked if the Board was agreeable to exploring this type of partnership. Mayor Burch suggested looking at what the Chamber of Commerce is doing on this topic and possibly joining forces. Board agreed this would be a good first step.

Spot sales update.

### **Executive Session**

Chairman Menz cited the 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, Keenan “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