

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE TWELFTH DAY OF NOVEMBER, 2019

On the twelfth day of November, 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

Absent: Alan Keenan

Also Present: J.D. Douglass, City Manager; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Friday, Erin Miller of the Utility Staff

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

Action on Agenda

No action on the Agenda.

A roll call vote was held as follows, Merideth, Gilmore, Menz “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 October 8, 2019. A motion was made by Jon Gilmore and seconded by Tim Merideth. A roll call vote was held as follows. 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 October 17, 2019. A motion was made by Jon Gilmore and seconded by Tim Merideth. A roll call vote was held as follows. Menz, Merideth, Gilmore “Yes”. The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the financials for August 2019. The electric retail department had net income of \$698,207. Electric Wholesale had net income of \$508,663. The Water Department had a net income of \$37,732. The Sewer Department had a net loss of \$12,244. The sewer lagoon had a net loss of \$1,200. Witt reviewed significant expenses for each department.

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

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Electrical crews worked on normal maintenance and pole replacements. Winders reported 161kV breaker is here. The transformer for NE Substation is in place and ready for commissioning by the vendor, Virginia Transformer.

Winders reported maximum water usage for the month at 3.968 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. The North Wastewater Plant pipe replacement project is ongoing.

Waters Engineering is working on the design and scope of work for the new water plant. Weekly design meetings with Waters are being held. Design work is progressing well.

Winders reported on repair work, by BMU crews, on a dedicated fire water line at Tetra Pak. He also reported on the status of major projects currently underway.

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

Sikeston Power Station

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

McGill reported no outages or derates. The net capacity factor for the month was 95%.

McGill reported the MATS and MATS LEE testing are finished. He also reported that pulverizer inspections have been completed. He reported the unit was taken offline on November 3, 2019 to repair a tube leak and a precipitator issue.

McGill reported one train is currently running. The other train is in the shop but should be back in service by the end of the week (aprox. 11/15/19). 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.

McGill reported the status of current projects.

A motion was made by John Gilmore to approve the SPS Report. The motion was seconded by Tim Merideth and the following roll call vote was held, Menz, Merideth, Gilmore “Yes”. The Report for the Sikeston Power Station was approved.

Rental Lights Policy and Rates

Marcia Witt presented revised Rental Light rates and Rental Light policy changes. The rates and policy had not been changed for several years. The revised rates include rates for LED lighting.

A motion was made by Jon Gilmore to approve the proposed Rental Light rates and Policy Updates. The motion was seconded by Tim Merideth and the following roll call vote was held, Gilmore, Merideth, Menz “Yes”. The motion was approved.

Economic Development Incentive Rate Draft

In October 2019 Rick Landers briefed the Board on Senate Bill 564 which included language regarding Economic Development Electric Rates. The rate is an incentive rate intended to attract new industrial customers. BMU staff has worked with the Economic Development Department to develop a draft rate. The RSMo language targeted new businesses. The BMU Draft Rate also includes existing businesses in our service area looking to expand. The Draft also includes language outlining the rate classes customers must fall under to qualify for the Incentive Rate.

A motion was made by Tim Merideth to approve the Draft of the Rate. The motion was seconded by Jon Gilmore and the following roll call vote was held, Gilmore, Merideth, Menz “Yes”. The motion was approved. Rates will be sent to City Council for approval.

161kV Pole Replacement

Jeff Winders reviewed the 3-year pole inspection program on the 161kV line. The first two years of inspection showed no pole replacements needed. The third year of inspection showed ten poles that should be replaced. Four bids were received. BMU Staff is recommending acceptance of the bid submitted by PAR Electrical Contractors of Kansas City, MO.

A motion was made by Jon Gilmore to accept the bid of PAR Electrical Contractors to perform the pole replacement work. The motion was seconded by Tim Merideth and the following roll call vote was held, Gilmore, Merideth, Menz “Yes”. The motion was approved.

General Manager’s Report

Policy – Residency -- General Manager Rick Landers reviewed the current employee residency requirements for BMU employees. The current BMU policy states if an employee does not live within the city limits of Sikeston they must live within five miles of the city limits.

Landers also outlined the required response times, if called in to work after hours, for the Retail and Sikeston Power Station employees. BMU policy was also compared with the City of Sikeston's employee residency policy. City Manager Douglass offered the City's perspective on the policy. The discussion was for information only. No vote was required.

Current Topics

EV Charging Station - The State of Missouri will issue an RFP soon for bidders interested in establishing an Electric Vehicle Charging Station. BMU staff has tentatively identified potential sites. Board and Staff discussed the locations.

Water Plant Project – Update on progress. Reviewed recommendation from Waters and Associates on when to schedule the project for bid.

Board Workshop - Landers asked the Board for possible dates to schedule a Workshop session to discuss renewable energy sources, supply options, and study results.

Fiber Project – Agreement has been signed. Kickoff meeting being scheduled.

AMI – Progress update. Collector sites should be ready by end of November. Reviewed timeline.

Union Negotiations – Contract talks between BMU and IBEW Local 702 are ongoing. Should be ready to exchange proposals soon.

Spot Sales – Update on current market.

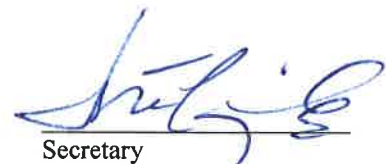
A motion was made by Jon Gilmore to approve the General Manager's Report. The motion was seconded by Tim Merideth and the following roll call vote was held, Gilmore, Merideth, Menz, "Yes". The motion was approved.

Executive Session

Chairman Menz cited the need to enter Executive Session. Jon Gilmore made a motion to enter Executive Session. The motion was seconded by Tim Merideth and the following roll call vote was held. 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