

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

HELD ON THE FOURTEENTH DAY OF AUGUST, 2018

On the fourteenth day of August, 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

Absent: Alan Keenan

Also Present: JD Douglass, City Manager; 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 Bob Smith to accept the 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 July 10, 2018. 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.

A motion was made by Tim Merideth to approve the minutes of the Special Meeting of July 26, 2018. The motion was seconded by Bob Smith. 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 June 2018. The electric retail department had net income of \$249,621. Electric Wholesale had net income of \$62,258. Wholesale spot sales were down slightly from last year. The Water Department had a

net loss of \$46,107. The Sewer Department had a net loss of \$30,411. The sewer lagoon had a net income of \$12,434. All departments had the expense of a third payroll in June.

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, Menz “Yes”. The report of the Financial Department was approved.

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Winders reported on storms in early July. Electrical crews have been installing new service to the area being developed on highway 61 north and to the new Wing Elementary School. They have also been repairing underground faults at the SE Substation.

Winders reported max water usage for the month. We have met with Burns & McDonnell on the draft final of their report.

Winders reported on the water test drilling. Drilling crew was successful in accessing the desired water at their current drill site.

Winders reported on the Water and Sewer Departments work on the highway 61 north development and the Wing Elementary project.

Winders updated the Board on the Pole Inspection and GIS Mapping projects. He also reported on the vac truck repair. The truck is back in service but the insurance and legal issues are still to be resolved.

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

Sikeston Power Station

Don Miller presented the report from the Sikeston Power Station for June, 2018. Miller introduced Mark McGill to the Board. McGill was recently named Assistant Plant Manager.

Miller reported no outages or derates for the month. The plant is currently running 235 MW on peak and 200 MW off peak. The Net Capacity Factor for the month was 93.22%.

Miller reviewed the coal stockpile estimates and daily coal usage. Both trains are running at this time. We anticipate running both trains through the end of the year.

Miller reviewed current projects. Mark McGill reviewed current environmental tests being done at the plant.

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

Fitch Report

Finance Department Manager Marcia Witt reported on the Annual Fitch Rating. The rating for 2018 remained at BBB- but the outlook was revised up from negative to stable. Witt reviewed other items in the Fitch Report for 2018.

Western Fuels Association Delegate Resolutions

Rick Landers presented two resolutions naming him as the BMU Delegate to the 2018 Annual Meeting and 2018 Shareholders Meeting of the Western Fuels Association.

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

Substation Flood Control Project

Rick Landers and Mark McGill presented the bids submitted for the Flood Mitigation project at the Southwestern Power Administration Substation. The low bid was submitted by Donald Bond Construction. After review this was determined to be the best bid and Staff asked for Board approval of the bid.

A motion was made by Bob Smith to approve the bid of Donald Bond Construction. The motion was seconded by Tim Merideth and the following roll call vote was held, Menz, Smith, Merideth "Yes". The bid of Donald Bond Construction report was accepted.

Industrial Park Lagoon Project

Staff is seeking Board approval of the Waters plan, submitted and reviewed at the April 2018 Board Meeting, for work on the Industrial Park Wastewater Treatment Lagoon. Jeff Winders reviewed the two phases of the project.

A motion was made by Tim Merideth to accept the Waters and Associates proposal. The motion was seconded by Bob Smith and the following roll call vote was held, Menz, Smith, Merideth "Yes". The Waters proposal was accepted.

General Manager's Report

Highway 61 North Sewer Project – Two bids were received for construction of a lift station and force main extension to the residential development on Highway 61 north. BMU Staff recommends acceptance of the bid from G&C Contracting of Perryville, MO.

A motion was made by Tim Merideth to accept the bid of G&C Contracting. The motion was seconded by Bob Smith and the following roll call vote was held, Menz, Smith, Merideth "Yes". The G&C bid was accepted.

WiFi project - Equipment was in place at the Rodeo Grounds for the 2018 Sikeston Jaycee Bootheel Rodeo. Board members report the WiFi service was well received. Landers reviewed to-date cost of the project and project items to be completed next.

Broadband - Landers updated the Board on the project.

Rates - Updated the Board on the recently completed rate study. Landers, Board and City

Manger Douglass discussed the upcoming City Council meeting schedule and when the proposed rates would be presented to the Council for approval.

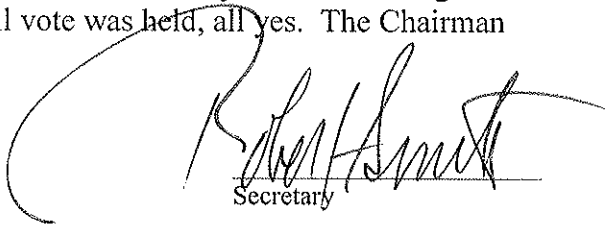
A motion was made by Tim Merideth to approve the General Manager's report. The motion was seconded by Bob Smith and the following roll call vote was held, Merideth, Menz, Smith "Yes". The report was approved.

Executive Session

The Chairman cited a 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, Smith, Merideth, Menz "Yes". The Board entered Executive Session

Adjournment

There being no further business Tim Merideth 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