

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE NINTH DAY OF APRIL, 2019

On the ninth day of April, 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: J.D. Douglass, City Manager; Gerald Settles, City Council; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Doug Shaw, Ron Priday, Erin Miller of the Utility Staff; Keith Budlong, Fisher Arnold, Engineers

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

Action on Agenda

Rick Landers introduced Keith Budlong of Fisher Arnold Engineers. Mr. Budlong asked to make a brief statement to the Board.

A motion was made by Tim Merideth to accept the agenda as presented and allow Mr. Budlong time for his statement. The motion was seconded by Alan Keenan. A roll call vote was held as follows, Merideth, Keenan, 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 March 12, 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 Executive Oversight Committee of March 28, 2019. A motion was made by Alan Keenan and seconded by Bob

Smith. A roll call vote was held as follows. Menz, Merideth, Smith, Keenan, “Yes”. The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for February 2019. The electric retail department had net income of \$800,863. Electric Wholesale had net income of \$171,318. The Water Department had a net income of \$21,815. The Sewer Department had a net loss of \$16,058. The sewer lagoon had a net income of \$5,754. Witt reviewed several items in the electric system pro forma for February.

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, Keenan, 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 working on riser poles, street light maintenance and pole replacements. Winders reported on progress of the WiFi project in the recreation complex. BMU assisted the City of Miner Water Department with some labwork. We also assisted the City of Caruthersville Wastewater Department on a problem caused by the recent flooding.

Winders reported maximum water usage for the month at 4.438 MGD. He also updated the Board on the status of various DNR issues and permits.

Winders reported current project status.

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

Sikeston Power Station

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

McGill reported two unplanned derates in February and one outage in March. The net capacity factor for December was 88.00% for February. McGill also reported that crews are preparing for the Spring outage. McGill reviewed some of the projects to be done during the outage and estimated cost.

McGill reviewed the coal stockpile estimates and daily coal usage. He also noted the upcoming retirement of James Davis from the Operations Department. Davis is retiring after 39 years of service.

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

Resolution for for water infrastructure costs

General Manager Rick Landers presented Resolution 2019-01 for Board approval. The Resolution allows BMU to receive reimbursement in future tax exempt funding for amounts previously spent on preparing for the water department capital improvements projects.

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

Water Rates

General Manager Rick Landers presented the proposed water rates for 2022 and 2023. Board and City Council had previously approved rates through 2021. The proposed rates should support the updated Water Department plan.

A motion was made by Tim Merideth to approve the proposed rates. The motion was seconded by Alan Keenan and the following roll call vote was held, Smith, Merideth, Menz, Keenan, “Yes”. The proposed rates were approved.

Engineering RFQ

Given the size and complexity of the proposed Water Plant project the Board asked BMU staff to send out a Request for Qualifications for an engineer to design and support during construction. Responses were received from five engineers. Operations Manager Jeff Winders reviewed the RFQ and the five engineers. A lengthy discussion followed centering on the project timeline, qualifications of the engineer recommended by BMU staff and the evaluation methods used to arrive at the recommendation. Board agreed that more in-depth evaluation is needed before a final decision is made on an engineer for the project.

The Board deferred the vote until more information is received.

Tank Painting Bid

Jeff Winders presented the bid received for painting the Industrial Park water tank and the Center Street water tank. The Request for Bids asked for a bid for painting the Industrial Park water tank and outlined three options on the Center Street water tank. Option 1 – paint top of the tank only, Option 2 – paint entire tank only, Option 3 – paint the entire structure. Viking Industrial Painting submitted the only bid. Their bid of \$796,600 was for painting the Industrial Park water tank and Option 3 on the Center Street tank.

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

AMI Bid

BMU issued an RFP on November 18, 2018 for bids to provide an Advanced Metering Infrastructure System. Seven responses were received on December 18, 2019. A committee of BMU staff members and Mr. Ricky Witherspoon of Fisher Arnold Engineers evaluated the bids. Final evaluations were completed on March 28, 2019. The joint decision of the BMU committee and the consultant, Mr. Witherspoon, was to recommend approval of Eaton Corporation as the AMI vendor.

A motion was made by Tim Merideth to approve the selection of Eaton Corporation as the AMI vendor. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan, "Yes". The selection of Eaton Corp. was approved.

Transformer Bid

Both transformers at the Northeast Substation are over fifty years old. They are both producing the harmful gas, acetylene. Bids have been received to replace one of the two transformers. Jeff Winders reviewed the bids received from Virginia Transformer Corp., Howard Power Industries and ABB, Inc. Bids were evaluated by BMU Substation Supervisor, Kevin Allen and Fisher Arnold engineer Derrick Carter. Based on the evaluation of Allen and Carter, Winders recommended accepting the transformer bid of \$812,973.00 submitted by Virginia Transformer Corp.

A motion was made by Alan Keenan to accept the transformer bid of Virginia Transformer Corp. The motion was seconded by Bob Smith and the following roll call vote was held, Smith, Merideth, Menz, Keenan, "Yes". The transformer bid of Virginia Transformer Corp. was accepted.

161 Kv Breaker Bid

Jeff Winders presented the bids to replace the current 161Kv breaker at Southwest Substation. The current breaker has been in service since 1973. Two bids were received but only one bid was received on time. That bid, from ABB, Inc., at \$58,410.00 was under budget and an acceptable bid. Based on the evaluation of bids by BMU Substation Supervisor Kevin Allen and Fisher Arnold engineer Derrick Carter, Winders recommended accepting the proposal of ABB, Inc.

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

General Manager's Report

Should have review of coal prices in April from Western Fuels Association

Public WiFi update

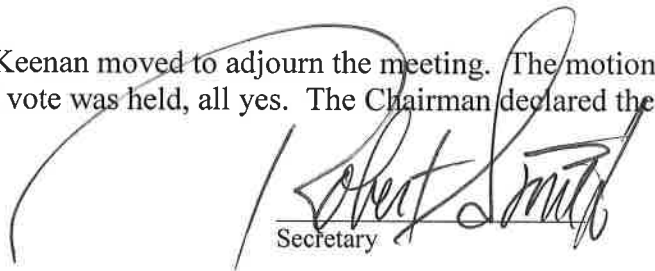
Spot sales update.

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, Keenan, Smith, Menz "yes". The Board entered Executive Session.

Adjournment

There being no further business Alan Keenan 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