

BOARD OF PUBLIC WORKS

Regular Board Meeting

Tuesday, March 21, 2017
3:00 P.M.

<p>Present:</p> <p>Randy Park Tim Goodman Todd Kendall Dan Patterson</p> <p>Robert Stevenson Heath Hall Courtney Harris Mathew Munzlinger Abe Gray Jared Stewart Kari Goodman George Hausdorf Kenny Garcia Mark Salter Chad Comstock Justin Carper</p> <p>James Lemon Mike Dobson George Walley Mark Eickelschulte Danny Henley Ashley Szatala</p>	<p>President Vice President Board Secretary Board Member</p> <p>General Manager Director of Operations Administrative Assistant Water/Wastewater Facilities Engineer Finance Director Superintendent of Lineman Public Relations Coordinator WTP/WWTP Supervisor Electric Lineman Electric Lineman Electric Lineman Electric Lineman</p> <p>City Attorney City Councilman Economic Development General Mills Hannibal Courier Post Quincy Herald Whig</p>
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CALL TO ORDER

The meeting was called to order at 3:00P.M. by President Randy Park.

INVOCATION & PLEDGE OF ALLEGIANCE

The invocation was given by Mr. Tim Goodman.

CONSENT AGENDA

- A) Minutes – February 21, 2017(Regular Meeting Minutes)
- B) Payrolls – March 3 & 17, 2017
- C) Claims – February 2017

On motion of Todd Kendall, seconded by Tim Goodman the Board voted unanimously to approve the Consent Agenda.

COMMENTS FROM THE AUDIENCE

Kenny Garcia addressed the Board Members to request reopening the Memorandum of Understanding to discuss the Union agreement. Randy Park informed Mr. Garcia to have the Union representative contact Michael Lowenbaum, Attorney, for any further discussion.

GENERAL MANAGER’S REPORT

Mr. Stevenson reported the Union agreement would be discussed further in the meeting.

Mr. Stevenson presented the final Purchase Power Agreement (PPA) from the Missouri Public Utility Alliance (MPUA) related to wind energy. The final agreement will be presented for approval to the City Council as well.

Mr. Stevenson reported he received the provisional 404 Permit from the Corp of Engineers last Friday in the mail regarding the Lakeside Business Technology Park. After review, the permit will have to be approved and signed at the next Board meeting.

Mr. Stevenson reported the Ameren interconnection study is complete. The next step will include a construction Agreement with Ameren.

Mr. Stevenson reported Prairie State has been doing very well coming down from the annual outage. There is a tour scheduled to visit Prairie State on April 20th.

Mr. Stevenson reported he attended the MPUA quarterly meetings in Columbia, MO in early March. Business was routine with discussion on the Clean Line testimony upcoming before the MoPSC. There was some discussion and preliminary approval given to the staff to explore options of beginning a service department to provide technical help to member cities with water and sewer problems. The HBPW currently has a contracted employee in the electrical department through MPUA.

Kari Goodman reported she has done several interviews this month addressing the issues of fraud calls that are targeting HBPW customers. Mrs. Goodman also noted there has been a rising interest in the diesel generator project as crews are frequently seen on site at the Oakwood substation preparing the site.

OPERATION'S REPORT

Heath Hall reported the Electric Line Crew continued work on the Diesel Generator project.

Heath Hall reported the Outages were relatively low for the second month in a row. The current 12 month availability rate is still very impressive at 99.992%.

Heath Hall reported the Water Crew repair work slowed down during February. They completed 8 excavations during the month. Six of the excavations were leak repairs with 3 water main repairs, and 3 service repairs. There was one boil order issued along Apache due to the 6 inch main break.

Heath Hall reported the Water Crew installed an Inserta Valve along Market Street in a strategic location to reduce the number of customers out of water during main repairs.

Heath Hall reported the Water Crew will begin fire hydrant flushing the first week of April. There will be two persons flushing in differing areas of town. Both will start near the Water Treatment Plant with one working his way west in the high pressure zone, while the other moves south and east towards the downtown area in the low pressure zone. By flushing with two persons at once, this should cut the total time to flush all 824 fire hydrants in half.

Heath Hall reported the Sewer Crew responded to one Sanitary Sewer Overflow (SSO) during the month of February, and this was the first SSO for 2017.

Heath Hall reported at the Water Treatment Plant, efficiencies continue to improve under the direction of George Hausdorf and Ron Conger. Total Organic Carbon (TOC) and turbidity removals continue to get better while using less chemicals.

Heath Hall reported one employee at the Water Treatment Plant passed the "D" certification exam through MoDNR, and another operator received his "C" certification through reciprocity based upon past treatment experience and certifications from other states. George Hausdorf passed the "A" certification exam.

FINANCIAL REPORT

Abe Gray presented the Board with the financial results for the month of February 2017, Year to date results, Key Financial Ratios, and Dashboard of Key Performance Indicators. Discussion was held regarding the Dashboard, and Mr. Gray will make continued improvements to the data as needed.

PROJECTS REPORT

Mathew Munzlinger presented the Board with an updated progress report of ongoing projects. This includes projects from the Water System and Water Treatment Plant, as well as the Sewer System and Wastewater Treatment Plant. Mr. Munzlinger noted the progress of these projects and studies is acceptable and will continue as weather permits.

On motion of Todd Kendall seconded by Tim Goodman, the Board voted unanimously to approve the Regular Reports.

NEW BUSINESS

Raw Water Change Order No.5

Mr. Munzlinger presented the revised Change order No. 5, which extends the time of completion for Bleigh Construction out to May 2, 2017. The contract price is reduced by \$77,053.79.

On motion of Tim Goodman seconded by Todd Kendall, the Board voted unanimously to accept the Raw Water Change Order No 5.

Change Order No.7

Mr. Munzlinger presented the Change Order No.7, a no cost change order for the Distribution System Improvements. This will extend the time of completion to April 30, 2017.

On motion of Todd Kendall seconded by Tim Goodman, the Board voted unanimously to accept the Change Order No 7.

Clean Line Energy – Final Contract

Mr. Stevenson presented the final draft of the Agreement between the City of Hannibal and the Missouri Joint Municipal Electric Utility Commission allowing Hannibal to purchase wind energy and associated transmission service through the state joint action agency MPUA. The term of the Agreement is for 20 years with an option to extend another 5 years at no price change. During the first full year of the agreement the price estimated to start in the year 2021 will be \$16.50/MWH for energy plus \$17,505/month or about \$4.81/MWH for transmission service. This is built into the contract at an annual escalation factor of 2%. If the Board and City Council approve the contract as presented during their regular March meetings, Mr. Stevenson noted that the contract execution and related documents will need to be expedited back to MJMEUC overnight. The Public Service Commission will have to approve the construction of the project. Mr. Stevenson noted the PPA and reference Agreements represent the best deal we will see for renewable wind energy in Hannibal. Mr. Stevenson recommended approval of the Final Contract.

On motion of Todd Kendall seconded by Dan Patterson, the Board voted unanimously to approve the Clean Line Energy Final Contract as presented.

Labor Agreement 2017-2019

Mr. Stevenson presented a redlined copy of the final negotiated Agreement between the Board and IBEW Local 2. The effective dates for the Agreement are from Jan.1, 2017 through Dec. 31, 2019. The previous contract expired on Dec. 31, 2016. Mr. Lemon noted the HBPW contractually can only negotiate with the Union, and cannot go outside of that. Mr. Stevenson recommended approval.

On motion of Randy Park seconded by Tim Goodman, the Board voted unanimously to approve the Labor Agreement 2017-2019 as presented.

FY2018 Preliminary Operating Budget

Abe Gray presented the Preliminary Operating Budget for the fiscal year July 1, 2017 to June 30, 2018. In developing this budget, the HBPW management made a balance between current operating revenues and expenses and long-term debt payments and capital additions. The general "timeline" of the budget process is to present a draft budget at the March meeting, ask that the Board approve it (with any requested modifications) at the April meeting, present necessary rate changes for approval at the May meeting, and hold a Special Rate Hearing in June for rates to take effect at the first of the new fiscal year. The budget process involves the various department supervisors meeting with the Director of Operations and the Accounting Department to review current year expenses and budget and make projections for next fiscal year.

SPECIAL REPORTS

MISO Creditworthiness Assessment

Mr. Stevenson reported MISO recently completed an assessment of the creditworthiness of City of Hannibal, Missouri, in accordance with the provisions of MISO's Credit Policy (Attachment L of MISO's Energy and Operating Reserves Market Tariff). Based on this assessment, MISO has increased the City of Hannibal, Missouri's standalone Unsecured Credit Limit from \$500,000 to \$4,000,000.00.

Travel Report – Heath Hall & Dan Patterson

Heath Hall along with elected Hannibal officials HBPW Board Member Dan Patterson, Councilman Dobson, and Mayor Hark all attended the American Public Power Association's (APPA) Legislative Rally at the end of February in Washington DC. This event is organized and attended by Missouri Public Utility Alliance (MPUA) and consists of visits on Capitol Hill with Missouri Senators and Representatives of Congress by Municipal Utilities (Public Power providers). The group discussed key utility items with the elected officials and their staff including Senators Blunt, McCaskill, and Congressman Sam Graves. Mr. Hall noted this conference is a great opportunity to develop key contacts within the Public Power Industry as well as with legislatures. Mr. Hall, Dan Patterson, and Mike Dobson expressed appreciation to the Board and Mr. Stevenson for attending the event.

CITY ATTORNEY – PENDING MATTERS

NONE

GENERAL DISCUSSION

NONE

CLOSED SESSION

Todd Kendall made a motion to convene in closed session, in accordance with Section 610.021(1) & (3) of the Missouri Sunshine Law, to discuss Litigation & Personnel admitting Board Members, James Lemon, Mike Dobson, and George Walley. Motion seconded by Dan Patterson. ROLL CALL: AYES: Board Members, Randy Park, Tim Goodman, Todd Kendall, and Dan Patterson. NAYS: 0.

ADJOURNMENT

Randy Park made a motion to adjourn. Motion seconded by Tim Goodman and carried unanimously. The meeting was adjourned at 6:00p.m.



Bob Stevenson
General Manager

Todd Kendall
Secretary