

## BOARD OF PUBLIC WORKS

Special Board Meeting

Wednesday, February 8, 2017  
12:00 P.M.

Present:

Randy Park  
Tim Goodman  
Todd Kendall  
Dan Patterson

President  
Vice President  
Secretary  
Board Member

Robert Stevenson  
Heath Hall  
Courtney Harris  
Mathew Munzlinger  
Abe Gray  
Kari Goodman  
Jared Stewart

General Manager  
Director of Operations  
Administrative Assistant  
Water/Wastewater Facilities Engineer  
Finance Director  
Public Relations Coordinator  
Electric Line Superintendent

James Lemon  
Michael Lowenbaum  
Mark Eickelschulte  
Chris Pickens  
Danny Henley  
Alyse Thompson

Lawyer  
Lawyer  
General Mills  
General Mills  
Hannibal Courier Post  
Quincy Herald Whig

### **CALL TO ORDER**

The meeting was called to order at 12:10 P.M. by President Randy Park.

### **OLD BUSINESS**

#### **Purchase Power Agreement – Missouri Joint Municipal Electric Utility Commission – Wind Energy & Transmission**

Mr. Stevenson reported discussion had been held at previous board meetings mostly in closed session regarding the Wind Energy project that is on the table. At the last regular January board meeting during closed session, the Board decided to schedule this Special Meeting to have a motion to move ahead with the Wind Energy & Transmission project. This is for an initial term of 20 years, which starts with the transmission line, with an option to extend it another 5 years at the Hannibal Board of Public Works choice. The price is currently confidential, but the prices will be revealed to the public at a Public Service Commission meeting. Mr. Stevenson noted we are satisfied that the cost will be in the \$21.00 per MW hour range. The agreements are contingent on successful and timely completion of the transmission line. Hannibal is committing to a maximum of 15MW of transmission capacity and all of the energy that can be produced by the generator up to the limit of the transmission commitment. Mr. Stevenson noted we estimate the associated energy will be about 110,000 MWH annually. Mr. Stevenson noted by approving the project today, we are giving support towards the project since the contract is not complete. The HBPW will be given a 90-day period to back out of the contract if there is a reason we would not agree to approve the project. Mr. Stevenson recommends approval.

Todd Kendall and Dan Patterson both asked questions regarding the Wind Energy contract and was inquiring if this was an approval to support the decision to move forward with the project, and if the approval is tentative. Mr. Stevenson replied, the word tentative is not in the agreement but we are recommending approval to commit to the project. Mr. Stevenson also noted we will be sending back a marked up version of the tracked changes for the contract that has been reviewed by the City Attorney.

On motion of Todd Kendall seconded by Dan Patterson, the Board voted unanimously to approve the Purchase Power Agreement as presented.

Chris Pickens, General Mills, asked if this contract moves forward how much of the utilities energy needs will be on contract verses market buy? Mr. Stevenson replied, this buy will represent 20% of our energy needs, with the other 60% is from Prairie State that leaves us with a market exposure of about 20% of our purchases.

Chris Pickens asked the difference between the transmission capacity of 15 megawatts and the 70,000 megawatt hours. Is that a 15% duty factor? Mr. Stevenson replied, yes the 15 megawatts gives us the right to transmit a maximum of 15 megawatts in any given hour on the transmission line. We will also possibly have a similar contract with the wind farm owners to match our transmission.

Chris Pickens asked if the capacity on transmission could be used on other things other than energy generated by the wind? Mr. Stevenson said we don't believe so.

Mark Eickelschulte, General Mills, asked if there would be a separate contract in the future with the wind generator directly? Mr. Stevenson replied, no this contract is between the HBPW and our state joint action agency who is acting on our behalf to do the contract.

Mark Eickelschulte asked if you have a maximum allowable cost of this energy as changes go along will you will know maintenance cost that will allow you to back out? Mr. Stevenson replied, no, this price being quoted is a fixed number that is not subject to future negotiation. The wind energy is significantly below MISO market costs right now, and we don't see the cost coming down.

**Policy Discussion – Billing Disputes with Large Customers**

Mr. Stevenson reported we have not officially been served yet but the HBPW has received information from Greg Mollett, Attorney at Greensfelder, has found information through a newsletter that the HBPW is being sued by Ralls County Water. Mr. Stevenson recommended discussing this information in closed session.

James Lemon reported he had reviewed the lawsuit and recommended discussing it in closed session.

**CLOSED SESSION**

Todd Kendall made a motion to convene in closed session, in accordance with Section 610.021 (9) of the Missouri Sunshine Law, to discuss Contracts admitting Board Members, Robert Stevenson, Heath Hall, Michael Lowenbaum, Matt Munzlinger, Abe Gray, Jared Stewart, and Kari Goodman. Motion seconded by Tim Goodman. ROLL CALL: AYES: Board Members, Randy Park, Tim Goodman, Todd Kendall, & Dan Patterson. NAYS: 0.

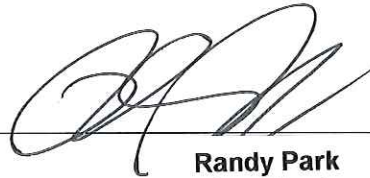
**ADJOURNMENT**

Tim Goodman made a motion to adjourn. Motion seconded by Todd Kendall and carried unanimously. The meeting was adjourned at 2:30p.m.



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Heath Hall  
Director of Operations



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Randy Park  
President