

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE TWELFTH DAY OF JULY 2022**

On the twelfth day of July 2022 the Board of Municipal Utilities met in Regular Session at 4:00 P.M. in the board room. The following members of the body were present:

Messrs: Jon Gilmore, Tim Merideth, Steven Burch, and Brian Menz

Absent:

Also Present: Joe Blanton, BMU Legal Counsel; Brian Self, City Council Liaison; James McMillen, Chief of Police; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Ron Priday, Erin Miller, and LaRae Long of the Utility Staff

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

Action on Agenda

Rick Landers, General Manager, requested to add an ARPA Resolution to the agenda after Item #7. A motion was made by Brian Menz to accept the agenda as amended. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Action on Monthly Agenda Items

A motion was made by Tim Merideth to approve the minutes of the Regular Meeting on June 14th, the minutes of the Special Meeting on June 22nd, and the minutes of the Special Meeting on June 28th. The motion was seconded by Steven Burch. A roll call vote was held, all yes.

Financial

Marcia Witt, Finance Manager, presented the preliminary, unaudited fiscal year-end financial results. The annual audit was in process.

The Electric Retail department showed net income of \$6,788,255. Revenues increased over the prior year as a result of increased usage by commercial and industrial customers. The Retail department also purchased more energy from the Sikeston Power Station than in the prior year resulting in higher purchased power costs.

The Electric Wholesale system had net income of \$3,228,117. Revenues were higher this year due to increased contract sales, including replacement sales that were offset by an increase in purchased power. Transportation cost increases resulted in higher coal costs this year. Electric department cash balances were down due to the increased coal transportation costs.

The Water Department showed net income of \$646,122. Revenues were higher due to a rate increase, while usage was slightly lower than the prior year.

The Sewer Department had net income of \$1,318,561. Revenues were higher than the prior year and miscellaneous revenues included \$917,000 in surcharges.

A motion to approve the report was made by Brian Menz and was seconded by Steven Burch. A roll call vote was held, all yes.

Retail Operations

Jeff Winders, Operations Manager, presented the retail operations report. During the month of June line crews began construction of distribution lines to the Carlisle facility. The 69kv line relocation and South Industrial Park substation construction projects were in progress.

Maximum daily water usage for the month of June was 5.774 MGD and average usage was 4.787 MGD. Water Treatment Plant #4 is progressing and expected to be online in August or September. The wastewater treatment plant is still in a critical situation. Work on air lines has begun and should be completed by August 20th. Staff is working on ARPA grant applications to help with the needed upgrades.

Water and sewer distribution crews installed new water and sewer taps for the Lincoln Park splash pad and the new Kindergarten building, inserted three new valves, added a new fire hydrant, and addressed water leaks.

A motion was made by Brian Menz to approve the Retail Operations Report. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Sikeston Power Station

Mark McGill, Plant Manager, presented the Sikeston Power Station report for May 2022. There was one planned outage, one derate, and one forced outage during the month of May. Net capacity factor was 68%.

As of July 6th there were 132,000 tons of coal on the stockpile, or 40 days of supply. Burlington Northern is experiencing staffing shortages which will prevent them from being able to operate BMU's second train set for the next several months. BMU has a coal conservation plan in place to get through this.

Staff submitted their comments to address the EPA's proposed federal implementation plan for the National Ambient Air Quality Standard for ozone.

A motion was made by Brian Menz to approve the SPS Report. The motion was seconded by Steven Burch and a roll call vote was held, all yes.

Semi-Annual Charge Offs

As part of the semi-annual process to charge off uncollected customer accounts, LaRae Long presented the list of account balances over one year old to be charged off. A motion was made by Tim Merideth to approve the semi-annual charge offs. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

North WWTP Project Bid

Winders presented bid tabulations for the North Wastewater Treatment Plant Upgrades. The upgrades will allow the plant to accommodate Unilever's increasing waste stream and future needs, and costs will be paid for by Unilever. Waters Engineering and BMU Staff recommended awarding the bid to Zoellner Construction of Perryville, who submitted the lowest bid and has performed very well on previous projects for the BMU and the City of Sikeston.

A motion was made by Steven Burch to award the bid to Zoellner. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

North WWTP Financing Bid

Witt presented bid summaries for the financing of the North Wastewater Treatment Plant Upgrades. The payments on the lease purchase agreement will be fully reimbursed by Unilever. Financial advisors with Piper Sandler and BMU Staff recommended awarding the bid to First State Community Bank at a rate of 4.80%.

A motion was made by Tim Merideth to award the financing bid to First State Community Bank and to approve the Resolution and Lease Documentation for the lease purchase agreement. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

Rental Truck Purchase

Winders presented a quote for the purchase of a line truck from Global Rental Co, Inc. The BMU has been renting this truck from Global Rental due to problems with the transmission and wiring harness on one of the older line trucks. Since that truck is indefinitely out of service, Staff requests approval to purchase the rental truck for \$76,900 as a replacement.

A motion was made by Steven Burch to approve the purchase. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

ARPA Resolution

Staff prepared applications for two ARPA grants and requested approval of Resolution 2022-03 and Resolution 2022-04, both of which authorize Jeff Winders to represent BMU in the requests for grant funds.

A motion was made by Brian Menz to approve both Resolutions. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.


General Manager's Report

Mr. Landers updated the Board on several ongoing projects. He previewed a power point document that will be presented to City Council on July 25th as part of the request for Sewer rate increases. Landers noted that the BNSF contract negotiations will begin soon as the BMU's contract with BNSF expires 12/31/2022. He also noted that Go SEMO was requesting an easement for their fiber cabinet on City property at BB Highway.

The spot sales price for June was \$75.90 and the average year to date price was \$75.90.

Adjournment

A motion to adjourn to Executive Session was made by Tim Merideth and seconded by Brian Menz. A roll call vote was held, all yes. The Chairman declared the regular meeting adjourned.



Secretary