

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE TENTH DAY OF JANUARY 2023**

On the tenth day of January 2023 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, and Brian Menz

Absent: Steven Burch

Also Present: Brian Self, City Council Liaison; Joe Blanton, BMU Legal Counsel; James McMillan, Chief of Police; Marcie Lawson, CEO of Sikeston Regional Chamber & Area Economic Development Corp.; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, Erin Miller, and LaRae Long of the Utility Staff

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

Action on Agenda

A motion was made by Brian Menz to accept the agenda as presented. 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 December 13th and the Special Meeting on December 28th. The motion was seconded by Brian Menz. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the November 2022 financial reports, including a newly designed report which compares significant capital project costs to project estimates.

The Electric Retail division had net income of \$241,458. Revenues decreased from the prior due to lower kwh usage. As a result, purchased power expense was also lower. Other expenses included truck repairs and tires.

The Electric Wholesale division had net income of \$1,396,110. Revenues were lower this year due to decreased contract sales, while operations costs were higher due to increased coal transportation costs. The original plant assets were fully depreciated in May 2022 resulting in less depreciation expense in the current year.

The Water division had net income of \$60,504. Revenues were higher due to a rate increase and higher usage. Expenses for the month included maintenance of plant equipment.

The Sewer division had net income of \$263,013. Revenues were higher due to a rate increase and more gallons billed. Miscellaneous net income included customer sewer surcharges. Expenses included chemicals and maintenance of plant equipment. The Sewer NWWTP division had net income of \$43,420.

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

Retail Operations

Jeff Winders, Operations Manager, presented the retail operations report. During the month of December, line crews focused on maintenance and streetlights while substation crews worked on plans to replace relays and breakers and monitored construction of the South Industrial Park substation. The transformer needed for the Carlisle plant is delayed, but BMU has a slightly smaller transformer than will be utilized until it arrives.

Maximum daily water usage for the month was 4.50 MGD and average usage was 2.87 MGD. WTP#4 is slowly approaching completion. The South WWTP air project is complete, and the cleanout and diffuser replacement is scheduled to begin on January 9th. The NWWTP project is receiving new equipment and site grading. The N. West Street water tank drained on December 3rd due to a drain valve failure. While the tank is empty and waiting for parts to repair the valve, staff is looking into having a tank inspection done.

Water and Sewer distribution crews have added two new fire hydrants, connected services for Carlisle, and added two new valves for a crossing on W. Malone.

Winders also provided status updates on several ongoing projects. 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 November 2022. There were no outages or derates and net capacity factor was 92%.

As of January 4th there were 149,000 tons of coal on the stockpile, or 45 days of supply, and the plant is operating at normal capacity. The unit was taken offline on January 3rd to repair a boiler tube leak, heater tube leak, and replace a transformer insulator and brought back online in less than 40 hours. Planning for the spring outage and the FYE 2024 budgets is ongoing. The outage is planned for March 10th through May 5th. There have been no regulatory status changes. The bottom ash conversion project is moving ahead on schedule.

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

SAEDC Presentation

Marcie Lawson from the Sikeston Regional Chamber and Area Economic Development Corporation (SAEDC) presented the SAEDC's draft budget and strategic plan to the Board.

Semi-Annual Charge Offs

Lora Foust, Customer Service Manager, presented the semi-annual charge offs to the Board and LaRae Long provided additional information on the proposed charge offs. The total amount to be charged off is less than previous years.

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

Resolutions 2023-01 and 2023-02

Marcia Witt presented two resolutions, an Electric Financing Resolution and a Sewer Financing Resolution. Upon the recommendation of Gilmore and Bell, staff asked for Board approval of these resolutions in order to receive reimbursement in future tax-exempt funding for amounts previously spent on preparing for any Electrical or Sewer department capital projects.

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

Western Fuels Association 6th Amendment

Rick Landers, General Manager, presented the 6th amendment to the agreement with Western Fuels for coal procurement, train management, and other services. The 6th amendment would extend the agreement to December 31, 2025.

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

Integrated Resource Plan (IRP) Study

Rick Landers presented a proposal for an IRP study which was recommended to evaluate BMU's resource options. The consultant reached out to several IRP providers for quotes and recommended Leidos to provide this study. Staff requested authorization to proceed with Leidos, who responded with the lowest price proposal and has experience working with municipal utilities.

A motion was made by Brian Menz to authorize Landers to proceed with the IRP study by Leidos. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

General Manager's Report


Rick Landers updated the Board on several ongoing items. Staff is still waiting on approval from SWPA to make a new interconnection to their facilities and is applying with SPP to utilize their services in the future. BMU Staff and Legal Counsel are reviewing Ameren's construction agreement for the Comstock 69kv substation. 80% of AMI water nodes are now installed and communicating.

The average spot sales price for December was \$62.80 per Mwhr and the YTD average price is \$64.28 per Mwhr. The price was budgeted at \$28.00 for the fiscal year.

Tim Merideth made a motion to approve the General Manager's report. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

Adjournment

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


Secretary ASST SEC