

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

On the fourteenth day of February 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: Greg Turnbow, Mayor; Jonathan Douglass, City Manager; James McMillan, Chief of Police; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, Erin Miller, and Tre Holley of the Utility Staff

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

Action on Agenda

Rick Landers, General Manager, requested to add Item #9: Communications Plan to the agenda. A motion was made by Tim Merideth to accept the agenda as amended. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

Action on Monthly Agenda Items

A motion was made by Brian Menz to approve the minutes of the Regular Meeting on January 10th and the NERC meeting on December 13th. The motion was seconded by Tim Merideth. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the December 2022 financial reports.

The Electric Retail division had net income of \$554,323. Revenues increased slightly from the prior year due to higher kwh usage. As a result, purchased power expense was also higher. Expense variances included a year-to-date adjustment of the allowance for uncollectible accounts.

The Electric Wholesale division had net income of \$1,799,932. Revenues were higher this year due to increased contract sales. Market sales volume was lower but sold at a higher price than the previous year. Operations costs were higher due to increased coal transportation costs and increased usage. The original plant assets were fully depreciated in May 2022 resulting in less depreciation expense in the current year.

The Water division had a net loss of \$12,950. Revenues were higher due to a rate increase. Expenses for the month included well repairs and collection of water meter GIS data. Expense

variances also included a year-to-date adjustment of the allowance for uncollectible accounts.

The Sewer division had net income of \$159,858. 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. Expense variances also included a year-to-date adjustment of the allowance for uncollectible accounts. The North Wastewater Treatment Plant division had net income of \$37,370.

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 January, line crews focused on maintenance and reviewed plans for several new construction projects. Substation crews worked on maintenance and breaker replacement plans. The new substation at the South Industrial Park is scheduled to be tested and commissioned in March.

Maximum daily water usage for the month was 4.34 MGD and average usage was 2.74 MGD. WTP#4 is slowly approaching completion. The South WWTP air project is complete, as well as the cleanout of the 002 plant. The contractor is working on cleaning out the 003 plant. The NWWTP project is receiving new equipment and site grading. A contractor has begun repairing the damaged Northwest Street water tank. Staff is working through DNR findings on for the water and wastewater pretreatment programs to make the appropriate adjustments and responses.

Water and Sewer distribution crews have been repairing leaks and fire hydrants, and a contractor lined a sewer main along Pam Street.

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 December 2022. There were no outages or derates and net capacity factor was 96%.

As of February 7th, there were 161,000 tons of coal on the stockpile, or 49 days of supply. Both trains were in service and the plant was operating at normal capacity. Planning and preliminary work for the spring outage was ongoing. The bottom ash conversion project is moving ahead on schedule, and foundation work has begun at the loading site.

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.

SPS Budget

Marcia Witt presented the FYE 2024 Sikeston Power Station proposed budget. For the budget, revenues were based on net generation of 1,700,000 kWh and the spot sales average price was estimated at \$26.50 per mWh. Certain expenses were budgeted based on estimates made by plant staff, while other expenses were projected at a 1% increase over the current year. Labor was based on the bargaining unit contract. The average cost of coal was estimated at \$35.18 per ton including transportation and a train lease. The budgeted all-in power cost is \$46.80 per mWh, and cost + 10% is \$51.48 per mWh.

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

Tapping Machine Bid

Jeff Winders presented quotes for a water tapping machine to replace a 20-year-old machine that is no longer functioning properly. He requested Board approval to purchase the machine from the low bidder, IMCO, for \$24,900.00.

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

Truck 15 Bid

Jeff Winders presented a quote from Altec for a 41-foot bucket truck to replace a 2000 model truck. The truck replacement was budgeted at \$210,000 and the Altec bid was \$179,270. Winders requested Board approval to purchase this truck from Altec.

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

Truck 9 Bid

Jeff Winders presented a quote from Altec for a 60-foot bucket truck to replace a 2006 model truck. The truck replacement was budgeted at \$300,000 and the bid was \$262,965. Winders requested Board approval to purchase this truck from Altec.

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

69kv Substation Construction Agreement

Rick Landers presented a draft agreement for construction of the Comstock 69kv substation. The 69kv substation will enable BMU to move existing its 69kv equipment out of the SPA substation. Ameren will build the substation under a similar construction agreement as is being used on the 161kv portion of the substation. The estimated in-service date of the 69kv substation is 12/1/25.

A motion was made by Tim Merideth to execute the construction agreement. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

Communications Plan

Rick Landers presented the Sikeston BMU Communications Plan proposal, which includes the services of an outside vendor to assist in developing a communications plan. Landers requested Board approval of the Communications Plan scope of work and budget.

A motion was made by Brian Menz to approve the communications plan proposal as presented. 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 SPA to make a new interconnection to their facilities and is working on getting registered in SPP. 85% of AMI water nodes are now installed and communicating and this project is expected to be completed in March. Staff is working on a grant application to help pay for the North Wastewater Treatment Plant upgrades. Refresco is reviewing a new sewer discharge plan which includes a new sewer line for their plant and will explore availability of grant funds to help with this project.

The average spot sales price for January was \$30.60 per Mwhr and the YTD average price is \$58.99 per Mwhr. The price was budgeted at \$28.00 for the fiscal year.

Brian Menz made a motion to approve the General Manager's report. The motion was seconded by Tim Merideth 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