

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

On the twelfth day of December 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, Steven Burch, and Chad Crow

Absent: Tim Merideth

Also Present: Joe Blanton, BMU Legal Counsel; Jay Lancaster, City of Sikeston Public Works Director; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Daugherty, Laura Ramsey, and Erin Miller of the Utility Staff.

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

Action on Agenda

A motion was made by Steven Burch to accept the agenda as presented. The motion was seconded by Chad Crow and a roll call vote was held, all yes.

Forvis Audit Presentation FYE 5/2023

Kristen Bright of Forvis, LLP presented the audit report for the fiscal year ended May 31, 2023, issuing an unqualified opinion on the financial statements. She noted despite several changes this year the audit went well and was completed as designed. She reviewed several financial statement items and disclosures with the Board. Ms. Bright also presented a Single Audit report which was required because the BMU received federal grant funds in fiscal year 2023.

Steven Burch made a motion to accept the FYE 2023 audit report. The motion was seconded by Chad Crow and a roll call vote was held, all yes.

Action on Monthly Agenda Items

A motion was made by Chad Crow to approve the minutes of the Regular Meeting on October 10th, the Special Meetings on October 10th, October 20th, November 16th, December 1st, and December 8th, and the NERC meeting on October 12th. The motion was seconded by Steven Burch. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the September and October 2023 financial reports.

The Electric Retail division had net income of \$370,292 for the month. Revenues decreased from the prior year due to slightly lower kwh sales. Purchased power costs increased due to increased capacity charges from the plant.

The Electric Wholesale division had net income of \$833,250 for the month. Revenues were up with increased Mwh sales. Coal costs increased due to more usage and a higher cost per ton. Depreciation expenses increased due to the capitalization of the Bottom Ash project.

The Water division had a net loss of \$1,999 for the month. Revenues were lower this month due to a decrease in gallons sold. Depreciation increased due to the capitalization of Water Treatment Plant #4.

The Sewer division had net income of \$179,165 for the month. Revenues were lower than last year due to a decrease in gallons treated.

The NWWTP division had a net loss of \$39,729. Production costs increased due to chemical purchases. Depreciation and Amortization increased with the implementation of GASB 87 to record amortization on leased assets. Interest expense increased as interest payments came due per the plant upgrades lease agreement.

A motion to approve the report was made by Chad Crow 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 for September and October 2023.

Power line inspections have identified four structures that require a contractor to repair, and JF Electric has been contracted to perform the work under a T&E arrangement. Design work has begun on the Northeast Substation rebuild. Fisher Arnold is preparing specifications for bid for the next phase of 69kV Reconductoring. The South Wastewater Treatment Plant blowers have arrived and are being installed. Designs for the future headworks at this plant are in process. Phase 2 of the North Wastewater Treatment Plant upgrade is ongoing.

A motion was made by Steven Burch to approve the Retail Operations Report. The motion was seconded by Chad Crow and a roll call vote was held, all yes.

Sikeston Power Station

Mark McGill, Power Plant Manager, presented the Sikeston Power Station report for September and October 2023. Net capacity factor was 91% in September and 82% in October. The unit was derated in October for pulverizer inspections and to complete an ID fan repair. It is up and running well after another short outage in November. As of December 12th, there were 372,000 tons of coal on the stockpile with one train in service.

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

Certificates of Deposit Renewal

Marcia Witt asked the Board to approve the renewal of CDs at First Midwest Bank for a 26 week term. The 26 week maturity of these CDs will coincide with the 2024 banking services bid.

Steven Burch made a motion to approve the renewal. Chad Crow seconded the motion and a roll call vote was held, all yes.

UFS Solar Review

Utility Financial Solutions performed an evaluation of the economic impacts of amending the current BMU Distributed Generation Policy to a hybrid policy. Mr. Landers presented the UFS study results to the Board for informational purposes.

Compress Road Bridge

The City of Sikeston requested and was ~~awarded~~ approved for grant funds to repair a bridge on Compress Road which will cover 90% of the cost to repair the bridge. Jay Lancaster, Director of Public Works of the City of Sikeston, presented a request to the Board to fund the 10% local match portion of the expenses. Mr. Landers added that the bridge is mainly used for truck access to the Power Plant and repairing the bridge would benefit the Plant.

Steven Burch made a motion that the BMU cover the local portion of the costs to repair the Compress Road Bridge. Chad Crow seconded the motion, and a roll call vote was held, all yes.

Ameren Comstock Agreements

The Board previously approved and executed a Construction Agreement with Ameren for building the Comstock Substation. This Agreement was amended to account for cost increases and remove a contingency from the estimated costs. It was also amended to grant Ameren full ownership of the control building and fence in order to maintain NERC compliance. A Letter Agreement was drafted to clarify how SWPA will bill Sikeston for work in the SWPA substation and how Ameren and Sikeston will share those costs.

Chad Crow made a motion to approve Rick Landers to execute the Construction Agreement Amendment and the Letter Agreement. The motion was seconded by Steven Burch and a roll call vote was held, all yes.


General Manager's Report

Mr. Landers reported that the Comstock substation is scheduled to be completed and in service on June 1, 2024. Staff is working on registering part of the Power Plant in the MISO market beginning March 1, 2024, which will save two of the Plant's customers transmission costs and will not affect the other customers. October spot sales averaged \$29.19 and the year-to-date average price was \$33.94.

Steven Burch made a motion to approve the General Manager's report. The motion was seconded by Chad Crow and a roll call vote was held, all yes.

Adjournment

Chad Crow made a motion to adjourn to Executive Session. The motion was seconded by Steven Burch. A roll call vote was held, all yes. The Chairman declared the regular meeting adjourned.



Secretary