

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE THIRTEENTH DAY OF FEBRUARY 2024**

On the thirteenth day of February 2024 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: Tim Merideth, Chad Crow, and Deidre Peters

Absent: Jon Gilmore

Also Present: Joe Blanton, BMU Legal Counsel; Greg Turnbow, Mayor; Tom Robison, City Council Liaison; Jonathan Douglass, City Manager; Marcie Lawson, Sikeston Regional Chamber & Area Economic Development Corp. CEO; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Laura Ramsey, and Erin Miller of the Utility Staff.

There being a quorum present, Vice Chairman Merideth called the meeting to order and the following business was transacted:

Action on Agenda

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

Action on Monthly Agenda Items

A motion was made by Deidre Peters to approve the minutes of the Regular Meeting on January 9th, the NERC Meeting on January 11th, and the Special Meeting on January 18th. The motion was seconded by Chad Crow. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the December 2023 Financial Reports.

The Electric Retail division had a net income of \$506,068 for the month. Revenues increased from the prior year due to higher kwh sales. Distribution costs included more tree trimming and truck repairs than in the prior year.

The Electric Wholesale division had a net income of \$51,861 for the month. Revenues were down with decreased Mwh sales and the revision of the contract capacity charge. Depreciation expense increased due to the capitalization of the new bottom ash handling system.

The Water division had a net loss of \$9,924 for the month. Revenues were higher this month due to a rate increase and increased gallons sold. Depreciation increased due to the capitalization of Water Treatment Plant #4.

The Sewer division had a net income of \$91,759 for the month. Revenues were higher than last year due to a rate increase although gallons treated decreased. Miscellaneous net income decreased due to lower surcharges billed.

The NWWTP division had a net loss of \$10,126. Production costs increased as the plant upgrades were being installed this month last year resulting in less electric power used. Depreciation and Amortization increased with the implementation of GASB 87 to record amortization on leased assets. Interest expense increased due to the plant upgrades lease agreement.

A motion to approve the Financial Report was made by Chad Crow and was seconded by Deidre Peters. A roll call vote was held, all yes.

Retail Operations

Jeff Winders, Operations Manager, presented the Retail Operations Report for December 2023.

There was one outage in the month of January caused by a faulty sensor on a transformer. Substation crews are testing and working on repairing the transformer and planning the next breaker changeout.

Staff is working with the GIS contractor on data tools to aid in the EPA-required Lead and Copper rule audit. A future step in this process will include sending a questionnaire to customers to gather information about service lines inside residences and businesses.

The Northeast Substation Rebuild and 69kV Reconductoring projects are in the planning phases. The South Wastewater Treatment plant piping work is in progress, while the Headworks design for that plant is 90% complete. The North Wastewater Treatment Plant upgrades are also 90% complete.

A motion was made by Deidre Peters 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 December 2023. The net capacity factor was 85%. The unit was derated in mid-December when a cooling tower motor control center tripped. The unit is currently operating well, and spring outage planning is well underway. As of February 7th, there were 319,000 tons of coal on the stockpile, or 97 days of supply. The normal coal stockpile is 45-60 days. Staff is working on lowering the inventory level by taking one train out of service, reducing coal deliveries.

Staff is coordinating with Ameren, Southwestern Power Administration, and Southwest Power Pool on the timing and safety components of the Comstock substation switchover. The emergency diesel generator failed in November and based on findings from a third-party inspection, Staff recommended the replacement of the generator, which will cost \$281,000.

The EPA issued a final rule lowering the Particulate Matter 2.5 limit by 25%. Staff is currently reviewing the implications and timeline of the rule.

A motion was made by Chad Crow to approve the Sikeston Power Station Report. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

DED Annual Update

Marcie Lawson, CEO of the Sikeston Regional Chamber & Area Economic Development Corporation, gave the Board an update of the progress on her department's strategic plan and goals for the current year.

Annual Net Metering Report

Jeff Winders presented the Annual Net Metering Report. BMU's total number of customer-generator facilities increased in 2023 by 14 to a total of 32 facilities. Two of these facilities are commercial. The total estimated generating capacity of net-metered customer-generators increased by 80 kW to 1,152 kW. The total estimated net kilowatt-hours received from customer-generators in 2023 was 207,592 kWh.

Landlord Leave On Agreement Update

Rick Landers presented a clarification to the implementation of the Landlord Leave On Policy which was amended in the January 2024 board meeting. The amended policy requires that landlords keep their utility accounts current or forfeit their leave on agreement. The revision also states that if a landlord chooses the "Electric Only" leave on option, BMU will still charge for any unauthorized water use.

To stay within the normal function and abilities of the billing software, Staff recommended that when unauthorized water usage is detected on an "Electric Only" leave on property, the account for said property will be changed to an "All Services" leave on agreement and the landlord will be billed accordingly.

A motion was made by Chad Crow to approve the proposed policy implementation. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

Sikeston Power Station Budget Revision

Marcia Witt presented a revision to the FYE 2024 Sikeston Power Station budget. The original budget included costs for both pond remediation and the Comstock Substation construction. Staff now anticipates that the pond remediation budget will not be expended and the funds collected from the participating cities year to date are enough to cover the cost of the substation. Therefore, Staff revised the budgeted capacity cost to be charged for the remainder of the fiscal year by removing both the pond remediation and the Comstock projects from the Renewal and Replacements line item. Staff also revised the budgeted energy cost to reflect increased coal transportation costs.

A motion was made by Deidre Peters to retroactively adjust the 2024 budget and bill the participating cities based on the revised budget for December 2023 – May 2024. Chad Crow seconded the motion and a roll call vote was held, all yes.

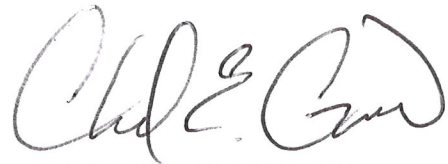
General Manager's Report

Mr. Landers reported on the Comstock Substation project and the energy markets. The substation is scheduled to be completed by June 1st, 2024. Mr. Landers said a current concern is finalizing the relaying between the Comstock and SWPA substations by June 1st. They are also working on securing a Balancing Authority, which is required to be in place before moving a portion of the Sikeston Power Station generation out of the SPP market and into the MISO market to better serve some of the participating cities.

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

Adjournment

Deidre Peters made a motion to adjourn to Executive Session. The motion was seconded by Chad Crow. A roll call vote was held, all yes. Mr. Merideth declared the regular meeting adjourned.



Secretary