

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI**

HELD ON THE THIRTEENTH DAY OF JULY 2021

On the thirteenth day of July, 2021 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: Brian Menz, Tim Merideth, Alan Keenan

Absent: Jon Gilmore

Also Present: Greg Turnbow, Mayor; Brian Self, Councilman; Joe Blanton, Attorney for the Board; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, 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 Tim Merideth to accept the agenda as presented. The motion was seconded by Alan Keenan and a roll call vote was held, all yes. The agenda was approved.

Action on Monthly Agenda Items

The Chairman asked for a motion to approve the minutes of the Regular Meeting of June 8th, 2021. A motion was made by Tim Merideth and seconded by Alan Keenan. A roll call vote was held, all yes. The minutes were approved as presented.

Doug Healy, Healy Law Firm

The Board was joined via conference call by Doug Healy of Healy Law Firm. Mr. Healy discussed the Board's various options for potential new electric generation in Sikeston and answered the Board's questions on the topic.

Financial

Finance Manager Marcia Witt presented the May 2021 preliminary fiscal year-end financial reports. The Electric Retail department had net income of \$6,237,388 for the year. Revenues were over budget due to very high usage in February but were offset by the write off of undepreciated electric meters that were replaced by AMI meters. Year to date kwh sales were up 5.5% from the prior year and 8.3% over budget. The rate increase effective October 1st also contributed to increased revenues. The retail system purchased more energy from SPS than in the prior year at a higher all-in cost, but this was slightly offset by a decrease in supplemental hydro power purchased from SWPA. Fiscal year end non-cash adjustments decreased net income by approximately \$100,000.

The Electric Wholesale department had net income of \$346,826 for the year. Revenues were higher than the prior year due to increased spot market prices, driven by the February winter weather event. Coal costs were 4.3% higher than the prior year due to increased generation and purchased power costs were higher due to the actual need for and price of replacement power. Fiscal year end non-cash adjustments decreased net income by approximately \$818,000. The electric department's debt service coverage for the year was 1.83.

The Water Department had a net loss of \$280,864 with a 5.8% increase in usage. The water department net loss was also affected by the write off of undepreciated meters that were replaced by AMI meters. Fiscal year end non-cash adjustments decreased net income by \$490,000.

The Sewer Department had net income of \$341,004 with a 1.7% decrease in usage. The sewer lagoon had net income of \$165,705 for the year.

Mrs. Witt commented that BKD was working on finalizing the audit and will most likely present it to the Board in the September meeting.

A motion to approve the report was made by Alan Keenan and was seconded by Tim Merideth. A roll call vote was held, all yes. The report of the Financial Department was approved.

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Winders reported that during the month of June crews added lights along West North and Lincoln, prepared for the 69kV sub-transmission extension to the new South Industrial Park, and worked on new transformers, SCADA, and breaker replacements. The Northeast Substation transformer is in pre-production. Staff is working with consultants on the South Industrial Park Substation layout. Plans for the 69kV loop reconductoring will come after the routing of the 69kV extension to the new substation.

An outage on June 22nd was caused by a bird on the riser pole which created enough amps on the line to cause the line to burn down elsewhere. Staff is looking at ways to guard against wildlife on this line to prevent this from happening in the future.

Winders reported maximum water usage for the month at 4.824 MGD. Water treatment plant #4 is progressing on schedule. Water and Sewer distribution crews have been performing normal maintenance and repairs and scheduling manhole rehab work. They have also been installing water taps for the new school and flow testing fire hydrants around town.

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

Sikeston Power Station

Plant Manager Mark McGill presented the report from the Sikeston Power Station for May 2021. McGill reported that the annual spring outage was completed May 3rd and there was one unplanned derate in May. Net capacity factor was 64% for the month. There is a slight tube leak and a list of maintenance items to be addressed. Staff was evaluating the right time to bring the unit offline for repairs. As of July 8th there were 45,000 tons of coal on the stockpile which is approximately 14 days of supply. Both trains are now in service after only running one train for several months.

Staff was nearing a decision on awarding the Bottom Ash Conversion project and is waiting on MDNR to submit a revised draft NPDES permit and a first draft of the Title V air permit.

A motion was made by Tim Merideth to approve the SPS Report. The motion was seconded by Alan Keenan and a roll call vote was held, all yes. The Sikeston Power Station report was approved.

Semi-Annual Charge Offs

Lora Foust, Customer Service Manager, presented the semi-annual charge off list for bills issued in January 2020 through June 2020, with usage periods extending back into November 2019. Foust reported that collection attempts are made for six months before the accounts are sent to a collection agency. Charge offs are made after six months of collection attempts by the collection agency. The amount is very similar to the amount charged off in January 2021.

A motion was made by Alan Keenan to approve the Charge Offs. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Location Services Bid

Jeff Winders presented a recommendation to award the Location Services bid to Precise Target Locating. After experiencing service issues with the previous locator service provider, the BMU requested bids for the service and Precise Target Locating was the only bidder.

A motion was made by Alan Keenan to approve awarding the bid to Precise Target Locating. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Local Limits Ordinance Change

Jeff Winders presented a request for a change in the Local Limits Ordinance. With Board approval, Staff will present this request to City Council. The request will update the City Ordinance to reflect new industrial discharge limits as required by BMU's recent NPDES (National Pollutant Discharge Elimination System) permit renewal.

A motion was made by Alan Keenan to approve the Ordinance change. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Planning Proposal

Rick Landers, General Manager, presented a proposal from DeCarb to begin addressing the second step of their transition planning scope of work. This proposal sets a budget and time estimate for the activities to be performed in the next three to six months.

A motion was made by Tim Merideth to approve the proposal. The motion was seconded by Alan Keenan and a roll call vote was held, all yes.

Rehab Wells #1 and #6

Jeff Winders presented a recommendation to award a contract to Flynn Drilling Company for the rehab of wells #1 and #6 at Water Treatment Plant #2. These well rehabs were not budgeted but have become necessary. The current budget includes drilling a new well at plant #3 and rehabbing well #10, and some of these budget funds will instead be used on wells #1 and #6.

A motion was made by Alan Keenan to award the contract to Flynn Drilling Company. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

General Manager's Report

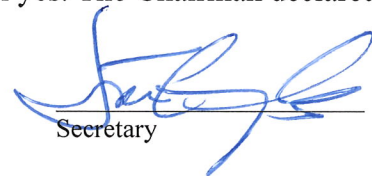
Landers provided an update on the progress of Project America and the Carlisle Construction Materials project. He also reported that the Board and Staff need to prepare for how to handle customers who install large solar systems. Under the net metering policy, customers are only allowed net metering credit for 100 KW of solar generation. The City is reviewing the documents regarding the annexation of the Water Treatment Plant #4 property. Unilever has asked the City to pursue a grant for funds to address their wastewater treatment needs.

Spot sales averaged \$31.30 for the month of June.

A motion was made by Alan Keenan to approve the General Manager's Report and seconded by Tim Merideth and a roll call vote was held, all yes.

Adjournment

There being no further business, Alan Keenan moved to adjourn the meeting. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. The Chairman declared the meeting adjourned.


Secretary