

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

HELD ON THE FOURTEENTH DAY OF SEPTEMBER 2021

On the fourteenth day of September 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, Jon Gilmore

Absent: Steven Burch

Also Present: Jonathan Douglass, City Manager; Brian Self, Councilman; Joe Blanton, Attorney for the Board; James McMillen, Chief of Police; Rick Landers, Utility Manager; Mark McGill, Lora Foust, Ron Friday, and Erin Miller of the Utility Staff
Virtually: Marcia Witt, Finance Manager and Kristen Bright, BKD Partner

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

BKD Audit

Kristen Bright, Partner of BKD CPAs and Advisors, joined the meeting virtually and presented the audit report for the fiscal year ended May 31, 2021. BKD issued an unqualified opinion on the financial statements. Ms. Bright reviewed the Opinion Letter and the accompanying financial statements and notes to the financial statements and answered questions from the Board.

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

Action on Agenda

A motion was made by Tim Merideth to accept the agenda as presented. The motion was seconded by Brian Menz 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 August 10th, 2021. A motion was made by Tim Merideth and seconded by Brian Menz. A roll call vote was held, all yes. The minutes were approved as presented.

Financial

Accountant Erin Miller presented July 2021 financial reports. The Electric Retail department had net income of \$722,627 for the month. Revenues were higher than the same month last year due to a rate increase, but kwh sales were down slightly. Expenses for the month include an engine replacement on a line truck, employee health screening, and building and HVAC repairs.

The Electric Wholesale department had a net loss of \$300,244 for the month. Revenues were higher than the prior year due to increased contract and spot sales. Maintenance expenses included tube leak repairs, pump repairs, and bulldozer rental.

The Water Department had net income of \$51,954. Revenues were higher than the same month last year due to a rate increase and more gallons sold. Expenses for the month include legal fees related to the previous vacuum truck matter, chat, plant equipment repairs, and GIS annual website hosting fees.

The Sewer Department had net income of \$16,732. Revenues were the same as the prior year because the rate increase was offset by lower usage. Expenses for the month include GIS annual website hosting fees. The sewer lagoon had a net loss of \$1,572.

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. The report of the Financial Department was approved.

Sikeston Power Station

Plant Manager Mark McGill presented the report from the Sikeston Power Station for July 2021. McGill reported that there were two outages in July. The unit came offline on July 16th to make several repairs and was back online July 25th. There was another 24-hour outage on August 6th for a weld repair on Heater #5. Net capacity factor was 66%.

As of September 9th, there were 110,000 ton of coal on the stockpile, or 33 days of supply. McGill reported that the unit is running very well. RATA testing was successfully completed on September 9th and MATS mercury LEE testing is currently in progress.

Staff is waiting to hear back from the MDNR and the EPA on the Regional Haze Rule proposal and is reviewing the implications of the latest NPDES draft permit amendments.

A motion was made by Brian Menz to approve the SPS Report. The motion was

seconded by Tim Merideth and a roll call vote was held, all yes. The SPS report was approved.

Billing and Financial Software Upgrade

Lora Foust, Customer Service Manager, presented software pricing and evaluation to the Board. Of the nine product combinations reviewed by Staff, Foust reported that three would meet all of the Utility's needs and reviewed the features and pricing of these three products. The current budget would get the project started and the remaining amount will be budgeted in the next fiscal year. Implementation would take 12-18 months. Staff believes the NISC offering will provide the technology and integration needed. Foust requested Board approval to pursue a contract with NISC.

After some discussion, a motion was made by Tim Merideth to approve the request. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

ME2C Mercury Abatement Agreement

Mr. Landers reported that since implementation of the MATS rule in 2015, the Sikeston Power Station has complied with MATS using certain patent-protected mercury abatement processes. Upon installation of the system, NALCO was the only provider who owned process rights to the process arrangement used at SPS. There are now two legal owners of the process rights: ME2C claims ownership of the overall process and NALCO claims ownership of a portion of the process. To maintain legal integrity and process continuity it has become necessary to enter into a process licensing agreement with ME2C. At the recommendation of Mr. Blanton BMU enlisted the patent support services of Williams Mullen and after review and negotiation of the terms of the proposed agreement, Staff recommends entering into a 5-year license agreement with ME2C. The cost of this license agreement can be partially offset by purchasing products from ME2C.

A motion was made by Brian Menz to accept the license agreement with ME2C. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Sewer Discussion

Mr. Landers presented information on current wastewater rates and the capital projects needed to improve the efficiency and useful life of the current wastewater treatment plant. He also reported that Utility Financial Solutions has been re-engaged to review updated financial projections and evaluate the rate target.

General Manager's Report

Landers reported that Quentin Overbeck, Sikeston's Wastewater Foreman, received two awards from the Missouri Water and Wastewater Conference.

Landers provided an update on the progress of Project America and Project Armor. He reported that BMU is still working with Refresco on their wastewater sampler and compliance issues. Staff is working with Ronin Technology Advisors and discussing fiber use with

GoSEMO. The annexation of the Water Treatment Plant #4 property into the City of Sikeston is in process. Landers reported that BMU has some faulty AMI communication devices on water meters causing many of the new meters to be read manually. The vendor, Eaton, is working to correct the problem. The new Scada installation project is starting up.

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

Adjournment

There being no further business, Brian Menz 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